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THURSDAY, JANUARY 22, 1953



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855



GIRARD INSURANCE COMPANY OF PHILADELPHIA, PA.

ORGANIZED 1853



NATIONAL-BEN FRANKLIN INSURANCE COMPANY OF PITTSBURGH, PA.

ORGANIZED 1866



MILWAUKEE INSURANCE COMPANY OF MILWAUKEE, WIS.

ORGANIZED 1852



ROYAL GENERAL INSURANCE COMPANY OF CANADA

ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

ORGANIZED 1874



COMMERCIAL INSURANCE COMPANY OF NEWARK, N. J.

ORGANIZED 1909



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LOYALTY GROUP

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Southwestern Department: 912 Commerce St., Dallas 2, Tex.

Canadian Departments: 800 Bay Street, Toronto 2, Ontario

535 Homer Street, Vancouver 3, B. C.

Foreign Departments: 102 Maiden Lane, New York 5, New York

206 Sansome St., San Francisco 4, Calif.

Finance People Hold Huddle on Uniform Licensing Problem

Confer at Chicago
On N. A. I. C. Proposal
for Restrictive Bill

About 40 representatives of finance companies, mortgage bankers, building and loan interests, warehousemen, furriers and certain insurance companies had a gathering at the Palmer House, Chicago, the other day to compare beefs on the proposed uniform agent licensing bill that is before National Assn. of Insurance Commissioners.

S. Arch Richards, vice-president of Olympic Ins. Co. of Los Angeles, which is a subsidiary of Pacific Finance Co., spearheaded the gathering and presided. Others present included George H. Dovenmuehle of Chicago, who is chairman of the legislative committee of Mortgage Bankers Assn. of America; Thomas Rogers, executive secretary of American Finance Conference; Harry Goodsitt of Springfield, Ill., representing building and loan associations, Erwin A. Meyers of the Chicago law firm of Meyers & Matthias, who is general counsel of State Farm Mutual Automobile, and who is particularly interested in getting a provision for temporary licensing of agents in any model bill.

This model bill idea had been regarded largely as a dead issue in the N. A. I. C. until last December at Detroit, when Commissioner Navarre of Michigan scolded those with a defeatist attitude on this and demanded that a new effort be made for all hands to get together and try to agree on some common ground, especially for the benefit of legislators in the smaller states that are not able to get, as he said, expert advice. As a result the matter was referred back to the all-industry committee to take a fresh look at the matter in view of developments. Previously, the all-industry committee had said that there was such a clash between the various elements in the business that it was hopeless to try to get together.

The finance companies, building and loans, etc. say that a provision in section 7 of the model bill would make it impossible for them to continue their operations. They simply say that it would put them out of business. This provides that the applicant for agent's license "intends to hold himself out in good faith as an insurance agent, broker or solicitor and that such license is not sought principally for the purpose of soliciting, negotiating or procuring insurance or annuity contracts covering himself or members of his family, or insurance on property owned by the applicant or in which he has an insurable interest or on property or insurable interest of relatives, employers or employees or that for which they or the applicant is agent, custodian, vendor, distributor, bailee, trustee or payee."

The specific position on temporary licensing that is sponsored by Mr. (CONTINUED ON PAGE 36)

Continental and Fidelity-Phenix of America Fore Marking Their Centennials

Two companies of the America Fore group will observe their centennials in 1953. One hundred years ago this month, Continental, the parent company of the group, was organized and began operations in two basement rooms at 6 Wall street, New York City.

At the same time across the river in Brooklyn, Phenix Fire of Brooklyn opened its offices at 345 Fulton street. In 1910 this company consolidated with Fidelity Fire of America Fore group to form Fidelity-Phenix Fire of New York.

From these beginnings, in offices only large enough to house a handful of workers, with agents only operating in the confines of the metropolitan area, with persistence to match the fairly prosperous period of the 1850's, these companies have expanded and grown steadily in importance to positions as leaders in the insurance industry.

During this century, other companies have become part of the America Fore group: Niagara Fire, celebrating its 103rd anniversary this year; Fidelity & Casualty, a pioneer casualty and bonding company of 77 years; and American Eagle Fire, organized in 1915.

The Continental was founded by a group of 50 prominent businessmen who felt the need for a larger fire insurance organization than any existing at that time in New York City, and when the company began operations with a capital of \$500,000, it was the largest amount of capital ever subscribed for an insurance company in the state of New York.

The first president of Continental was an ex-mayor of New York, William V. Brady, who served from 1853 to 1857. The first office was in the basement of 6 Wall street.

The first Continental agency was established at Cleveland in 1853. The following year Continental entered Chicago, and 17 years later, at the time of the great Chicago fire, the company was able to pay \$1,750,000 in losses resulting from the conflagration. When the news of the fire reached New York the directors met and, before they had left the meeting room, agreed to subscribe individually enough to double the capital, making it \$1 million.

George T. Hope, the second president, was one of the organizers of the National Board, and also made valuable suggestions to Mr. Sanborn in the early days of map making.

Although more than 100 fire insurance companies were forced into bankruptcy as a result of the many ruinous fires between 1870 and 1900, Continental paid out in excess of \$2½ million in losses, and in full.

In 1906 came the great San Francisco fire which followed the earthquake. Continental paid its losses in cash without discount at 100 cents on the dollar.

Since then, through many major conflagrations and disasters, two world

wars and a great depression, Continental has continued to grow and, through wise and progressive management and an exceptional agency network, to uphold the traditions of sound underwriting and equitable loss adjustments set down 100 years ago by its founders.

The history of Phenix of Brooklyn, until it became part of the America Fore group, is one of progress based on an unusually strong and loyal agency system.

Organized by a group of 15 men who realized that the borough needed additional insurance capital, the Phenix soon entered "insurance row" in Manhattan; and to cite an example of the company's progress is to note that the original capital of \$200,000 had increased to \$500,000 in 1864 and to \$1 million in the following year.

The Phenix declared its first dividend in March 1855, and only once, at the time of the Portland Me., fire in 1866, has the company ever been obliged to forego the payment of a dividend.

Between the time of the Chicago fire in 1871 and the turn of the century, the Phenix doubled and then tripled its business, chiefly due to a strong western states operation. By 1892 the Phenix was doing a larger volume of business (\$3,250,000) than any company operating west of the Mississippi.

In 1906, Continental's president, Henry Evans, envisioned the value of the fleet operation in the fire business and organized Fidelity Fire of New York. Four years later the Fidelity consolidated with the Phenix, and with the subsequent name change to the Fidelity-Phenix Fire of New York, and as a running mate for Continental, the America Fore group was created.

The Niagara Fire was founded in 1850 and is observing its 103rd anniversary this year. Niagara numbers among its organizers the name of Washington Irving; it was the first insurance company to establish an agency in California; it was one of the first to go into the south after the Civil War. It is a company with a rich heritage and has grown steadily with the size and character of the country.

American Eagle Fire was organized in 1915 by President Henry Evans to replace the agency network of Fidelity Underwriters, which had been consolidated with the Fidelity-Phenix. It was reported that Mr. Evans secured the \$2 million capital over the telephone within an hour.

The American Eagle is 38 years old, the youngest company of the group, and has grown and prospered under the management of America Fore. Today it stands in its own rights as an important company in the insurance world.

Originally incorporated in 1875 as the Knickerbocker Plate Glass & Accident Ins. Co. of New York, and subsequently to have the title of Knickerbocker Casualty, Fidelity & Casualty assumed its present name in 1880. The original capital was \$100,000 and by

1952 Fire Losses at New High of \$784,953,000

December Total Up 8.7%;
Each Month of 1952 Beats
Same Month of 1951

Fire losses in the United States in 1952 totalled \$784,953,000, according to National Board estimates. This is \$153,548,000, or 7.3% more than the total for 1951, and \$96,493,000, or 14% more than that of 1950.

Lewis A. Vincent, general manager of the National Board, stated that losses, measured in dollars, are at an all-time high for the second consecutive year.

Since 1935, when fire losses amounted to \$235 million, they have increased 3.3 times. Gross national product, which is the market value of all goods and services during each year, at the same time increased nearly five times from \$72 billion to an estimated \$343 billion.

Losses for December amounted to \$74,127,000 up 8.7% over the same month of 1951, and up 13.8% over November, 1952. In each month of 1952 there was an increase in losses over the corresponding month of 1951.

Losses for the last 10 years were:

1943	.....	\$389,235,000
1944	.....	423,538,000
1945	.....	455,329,000
1946	.....	561,487,000
1947	.....	692,635,000
1948	.....	711,114,000
1949	.....	667,536,000
1950	.....	688,460,000
1951	.....	731,405,000
1952	.....	784,953,000

For 1952 and the two preceding years, losses by months were:

	1952	1951	1950
Jan.	74,155,000	68,686,000	58,323,000
Feb.	69,925,000	69,136,000	58,340,000
March	72,254,000	71,507,000	72,468,000
April	67,380,000	62,965,000	61,805,000
May	62,354,000	58,744,000	58,766,000
June	58,585,000	58,403,000	57,118,000
July	61,675,000	52,220,000	52,980,000
Aug.	56,462,000	55,416,000	49,873,000
Sept.	58,949,000	53,398,000	45,922,000
Oct.	63,958,000	54,660,000	49,953,000
Nov.	65,129,000	60,064,000	55,790,000
Dec.	74,127,000	68,206,000	66,820,000
	784,953,000	731,405,000	688,460,000

N. Y. Underwriters Plans Rally

New York Underwriters will have its meeting for the western department field men Feb. 25-28 at the Hotel McAlpin, New York. Harold C. Davis, president, will be in charge.

1906 the capital had increased to \$1 million. In 1929, the F. & C. joined the America Fore group.

A pioneer in the bonding field, and a leader today in the casualty business, the company writes a wide variety of business including full automobile coverage, fidelity and surety bonds, workmen's compensation, public liability and property damage, glass, burglary, boiler and machinery, an A. & H. insurance. It also writes aircraft liability and property damage as a member of the Associated Aviation Underwriters.

Austin Flett and Chase Smith Tangle in Debate on Stock vs. Mutual Insurance

A debate on "Stock vs. Mutual Insurance" staged by Austin T. Flett, Chicago broker with W. A. Alexander & Co., who is on the warpath against the mutuals night and day, and Chase M. Smith, general counsel of Lumbermens Mutual Casualty, attracted more than 80 members of Mid-West Insurance Buyers Assn. to the January meeting at Chicago. Mr. Flett and Mr. Smith had exchanged manuscripts a day before the meeting, but during the rebuttal and in the unscheduled second rebuttal, some of the earlier politeness faded away.

Mr. Smith, an experienced debater and a noted wit, did some fancy interjecting. The buyers, who obviously were deeply interested, not only in the subject itself, but in the clash of personalities, left the meeting with the feeling of having received more than their money's worth.

Only one question was asked after the talks were through, it being directed to Mr. Flett who was queried as to whether his idea is that mutual insurance should not be purchased. He answered that his idea is that it is "unfair competition," and that the purchaser should investigate every angle of the contract and the company. If this is done, and the purchaser is satisfied, the questioner asked, should he not then go ahead and buy mutual insurance?

"I have no feeling on that," Mr. Flett replied.

Each speaker was limited to a 20-minute presentation, and about five

minutes of rebuttal. Mr. Flett led off, and after the rebuttals had been concluded, George E. DeWolf, Jewel Tea, who was moderator, said that since Mr. Flett had not had a chance to get in a last word, he should be allowed that privilege.

Mr. Flett and Mr. Smith by this time were somewhat exasperated with each other. Mr. Flett charged that Mr. Smith had spearheaded a drive to eliminate him (Flett) from the insurance business, and that this was a matter that was taken up in executive session of National Assn. of Insurance Commissioners at Los Angeles in December of 1950. Mr. Flett said that he wired W. Ellery Allyn, then N.A.I.C. president, that if the question of his advertising and statements was to be taken up that he would like to be present. He said he heard nothing further of the matter, but he read off the names of 16 commissioners, agent leaders and company people who were present at Los Angeles to discuss this situation.

Mr. Smith said he would admit that he was guilty of getting all these people together, but that his aim was to put an end to the "nonsense" Mr. Flett was distributing.

Mr. Flett's talk was based almost entirely on his booklet, "Meeting Mutual Competition." The charge contained in it that Mutual Fire of Saco, Maine, was taken over by bankers, was excepted to by Mr. Smith, who said that a couple of bankers were elected directors, but this did

not constitute taking over of the company by bankers.

The arguments advanced in the prepared papers are presented below:

AUSTIN FLETT

"Desperate efforts" have been made by attorneys representing about 2,600 mutual fire and casualty companies to suppress the publicity he has put forth concerning mutual companies, Mr. Flett asserted, remarking that his campaign broke into the open in 1950 when he published full page advertisements in Chicago newspapers about mutual insurance contracts and mutual company taxation.

Purchasers of stock insurance receive all of their insurance contracts and convey, subject to insuring clauses, all liabilities to an underwriting company, he said. The maximum risk in case of insolvency is the unearned premium and pending claims.

"The maximum risk of loss of individuals or corporations buying mutual fire and casualty insurance is an unknown quantity as they could lose on the unearned premium and pending claims, the same as with a stock company, and they also assume the liabilities of others as they are not only the insured, but also the insurer, which is an underwriter in the insurance business, subject to the hazards of the business including that of a self-insurer."

If he were an insurance department manager assuming the responsibility of buying for a corporation, Mr. Flett said he would first ascertain the attitude of top management and the board of directors regarding the entire question of "spending corporate funds via premium dollars in promoting cooperative organizations." If management decided to purchase mutual insurance, Mr. Flett, as insurance manager, would take an active interest in the management, finances, underwriting and other affairs of the insurer and reinsurers involved. He said he would demand in writing full information at all times regarding his contracts, which could be subject to change by the management group as may pertain to underwriting and reinsurance.

In addition to receiving his policies, he said, he would demand documents as might apply to his insurance in each mutual or mutual reinsurer covering articles of incorporation, charter or constitution; by-laws; management agreement; reinsurance agreements, and the laws of the various states that might apply to his contracts, particularly those on insolvent mutual fire and casualty companies.

"I would then refer all these documents to the legal department or company attorney for their opinion, as it would be up to the management and board of directors to decide as a matter of company policy as to the purchase of cooperative insurance contracts, particularly in view of the fact that some mutual contracts state that directors of corporations or trustees assume a personal liability," he declared.

In case of insolvency of a mutual, Mr. Flett said that members' liability is joint and several and it is not unusual in assessment cases for individuals and corporations to go into bankruptcy because they cannot absorb their lost unearned premiums, pay their pending claims and pay their share of assessments plus the cost of litigation.

"Members of mutual fire and casualty companies may agree among themselves, under some state laws, to limit their liability to each other in solvent

CHASE SMITH

"Beautifully stated, Mr. Flett, but hogwash," was the opening rejoinder offered by Mr. Smith, who in his prepared paper took up the subject of mutual insurance as an established part of the private enterprise system, the tax situation of mutuals, and some "common misrepresentations" about mutual insurance.

He said that mutual insurance, now more than 200 years old in the U. S., was founded by some of the leaders of the republic. "Mutual insurance is as old as the republic, as American as the constitution, as American as the Declaration of Independence, as American as the Mid-west Buyers Assn., as American as the Chicago Bar Assn.," he declared.

Socialism and communism are very briefly described as the ownership of a means of production by the state, Mr. Smith went on, but mutual insurance is the antithesis of ownership by the state; it is ownership controlled and directed by private citizens.

"Let us not be fooled by any nonsense about this cooperative idea," he said, noting that the Chicago Bar Assn. runs a restaurant in competition with other restaurants, and that the stock business "is full of it." The stock insurance people, he added, "have cooperative organizations doing business on the assessment plan, which adjust losses, rating bureaus that make rates, statistical and actuarial bureaus, and years ago they established a cooperative printing plant. The governing principle always will be that the most economical and efficient way in which any job can be done by private citizens is the way that it will be done and the way it ought to be done."

"Even the agents' association printed some of Mr. Flett's nonsense, and offered to sell it at cost to their members. The agents' association is a cooperative organization, it prints a magazine, full of advertising, and it competes with commercial trade journals."

Mr. Smith made a distinction between the classes of mutual companies, saying that most of the companies are farm mutuals, local in character and operating on an assessment basis. The assessment liability is limited and the companies are organized under laws specifically designed for them. Their operations

(CONTINUED ON PAGE 11)

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(CONTINUED ON PAGE 11)

Ice Storm in N. E. Eyed Closely by Insurers, Loss Men

Interest in A.E.C. Coverage;
Estimate About 1,000 Losses

NEW YORK—The ice storm caused by freezing rain and sleet which affected southern Connecticut, Westchester and Rockland counties in New York, northern New Jersey and northeastern Pennsylvania Jan. 9-11, produced a flood of inquiries for agents, field men, company loss departments and General Adjustment Bureau offices regarding interpretations of coverage afforded by extended coverage and additional E.C. Perhaps more than 1,000 losses will result, most of them superficial.

As a result of the deliberations of loss men, the disaster committee of National Board has issued a letter to member companies which makes clear that damage to food in home refrigerators and freezers due to failure of off premises power is not covered under E.C. or A.E.C. This would be true also of any other type of loss occasioned by off premises power failure, regardless of cause. The E.C. excludes loss caused directly or indirectly by frost or cold weather or ice, etc. whether driven by wind or not. However, A.E.C. does provide indemnity for physical injury to or destruction of insured property through loss by ice, snow and freezing—subject to a \$50 deductible clause. National Board's letter also points out that in many instances damage to property by fall of trees was due solely to the accumulation of ice and liability may readily be established under the A.E.C., subject to the \$50 deductible.

There is much interest in the type of claim being presented because insurers have been aware that one of the few catastrophe possibilities under A.E.C. is the ice storm. In the present instance, the business generally has been anxious to consider carefully all of the problems involved before accepting or denying reported losses. Though claims are of a minor nature in general, the advice of companies and of the disaster committee of National Board is that the claims be referred to an adjuster for individual inspection and attention. Questions that the storm has raised have been reviewed with the Philadelphia Loss Conference, New England Loss Conference and Loss Executives' Conference.

Some of the losses involved TV antenna and where these were caused solely by ice the coverage would be only under the A.E.C., subject to the deductible. The question of wind velocities enters the settlement situation where only E.C. is carried and the damage would not have been done without the presence of ice. In most sections, there was little or no wind except in gusts, but in the Allentown and Hazelton, Pa. sections, wind velocities were reported up to 50 miles per hour.

National Board in its letter includes a table showing the territories in which the \$50 deductible is applicable and the effective date of promulgation of A.E.C. In Connecticut there is a \$50 mandatory deductible, Delaware and Maine optional, Maryland none, Massachusetts mandatory, New Jersey,

New York and Pennsylvania optional, and Rhode Island mandatory.

The number of claims being filed under additional extended coverage for any individual company is expected to be very small, not as many as the attempts to put in claims under E.C. which E.C. obviously does not cover. Companies are expected to discourage such claims except where there is definite evidence of a windstorm.

An interesting point is that the existence of A.E.C., which does cover ice damage, provides insurers a chance to get away from claims under E.C. which

obviously do not come under that coverage, which was not the case before, notably in 1948 when there was another ice storm in somewhat the same area. Then there was effort by agents to get companies to make exceptions.

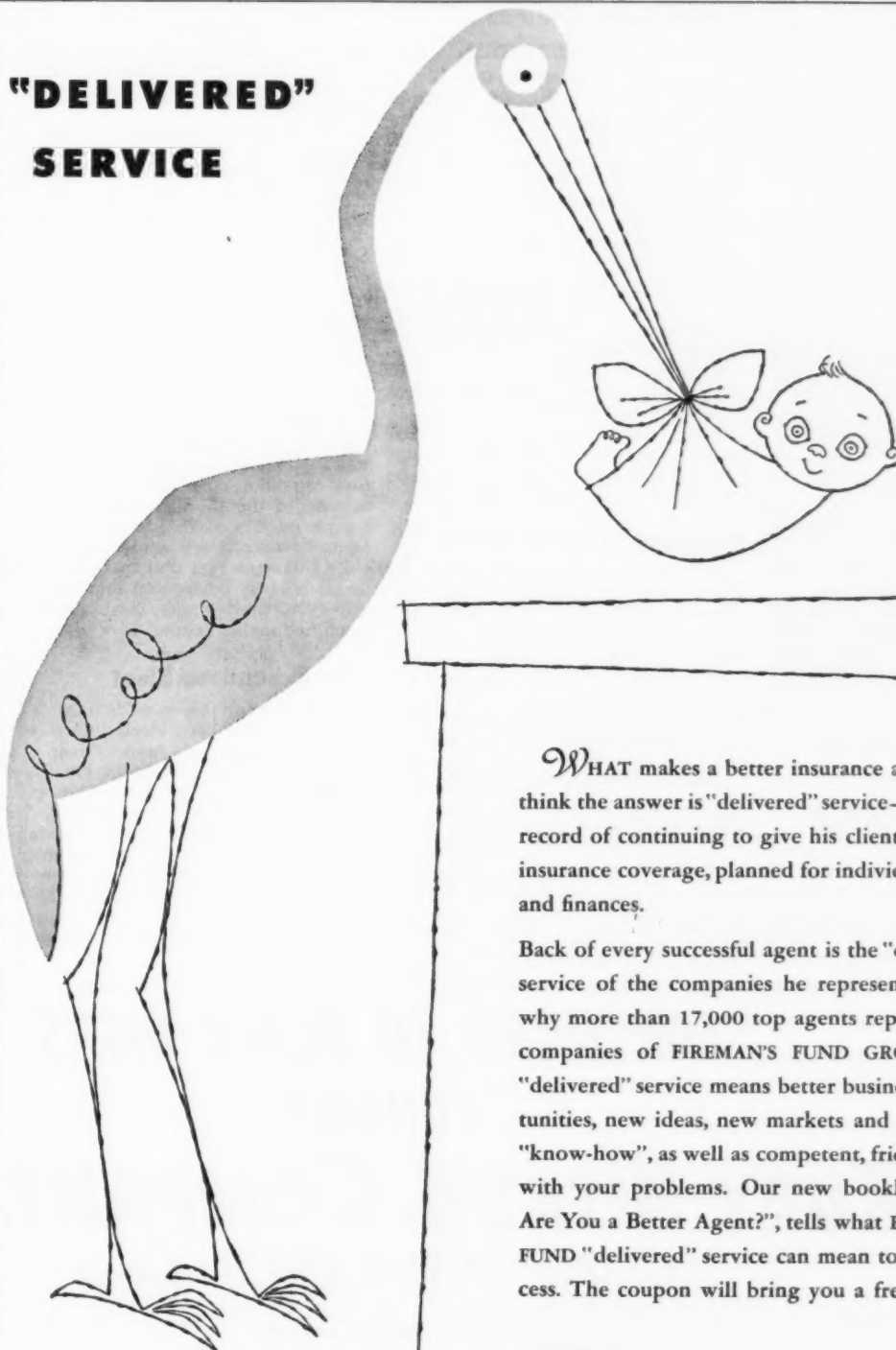
Now the companies have a convincing response for such efforts—they can say that there is coverage available for this type of loss, that it is cheap, and that agents should take advantage of it and sell it to insured. The result should be, some company observers believe, an increase in sales of A.E.C. The storm itself fell just short of being

really serious in the way of damage. Some insurers regard it as a good time to push the coverage again, and for agents to push the cover with their policyholders.

Thorn and Barker Elected

Henry C. Thorn, North America, has been elected treasurer of Security Bureau, Inc., the organization to combat waterfront theft and pilferage in New York City. Mr. Thorn and Owen E. Barker, Appleton & Cox, were elected directors.

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Pettigrew Chairman, White President of Und. Adjusting

Directors of Underwriters Adjusting at the annual meeting at Chicago Tuesday elected T. A. Pettigrew, president, to the newly created position of chairman of the board. K. C. White, who has been general manager since 1946, was elected president, and will continue as general manager.

Mr. Pettigrew has been with Underwriters Adjusting since its inception 35 years ago. He was made general manager in 1927, president and general manager in 1930, and has continued as president until now, although resigning as general manager in 1946. As chairman, he will continue an active part in the organization.

Mr. White was manager of several offices of Underwriters for 18 years until he was transferred to the head office in 1941 as general adjuster, later becoming assistant general manager.

H. A. Clark, Firemen's, and Earl Gibbs, Boston, were reelected vice-presidents, and H. A. Pettigrew was reelected secretary-treasurer. Fred S. King, assistant general manager, and Melvin C. Dawson were elected assistant secretary-treasurers.

The shareholders at a prior meeting reelected the retiring directors, they being: H. A. Clark, Firemen's; Gilbert L. Scott, North British; John G. McFarland, American, and Charles James, Northwestern National.

Underwriters Adjusting in 1952 had a "very satisfactory" year, Mr. Pettigrew said in his report, and the organization is "in splendid financial condition." The stock of Underwriters is owned solely by a large number of insurance companies, except for a single qualifying share held by Mr. Pettigrew.

State Fire Fund Bill in Ind.

A bill to set up a state fire insurance fund in Indiana has been introduced in the Indiana senate. There would be appropriated \$3 million from the general fund. The authors of the bill say the premiums paid by the state now

amount to about \$175,000 and the average losses over the past four years have been about \$66,000. The authors claim that the entire difference between losses and premiums would constitute a savings for the state, and also they claim there would be much more extensive coverage. A "Hoover commission" found that there are state buildings valued at \$43,744,709 that are now not insured. Buildings at Indiana University valued at \$45 million are insured up to 80% while the 636 buildings of Purdue valued at \$29 million are insured up to 90%.

Revise Lloyd-Thomas Book on Fire Insurance

A revised edition of the Lloyd-Thomas book, "What the Business Man Should Know About Fire Insurance," has been published. Until the supply is exhausted, copies are available free to agents by writing the appraisal organization at 4411 North Ravenswood avenue, Chicago 40.

The original edition of the book, designed to help point out fundamental insurance situations to prospects, was very popular among agents.

Beginning by describing situations that are best served by insurance, the book goes on to discuss the various standard forms and riders, as well as rates and factors affecting them. In addition, adjustment of losses is discussed and there is exhaustive treatment of valuation, depreciation and determination of replacement cost.

Walker to Hanover in Pa.

Hanover has appointed George T. Walker as state agent in eastern Pennsylvania. He will have temporary headquarters at Philadelphia until locating an office at Harrisburg.

Mr. Walker attended Temple University and after service in the second war was with Middle Department Assn. of Fire Underwriters. More recently he had been with Boston and Old Colony as marine special agent at Philadelphia.

Extend State Farm Time

An amended order extending for 30 days the time for holding a representation election among California agents of the State Farm companies has been issued by national labor relations board. The proceeding involves an at-

tempt by the Insurance & Allied Workers Organizing Committee, C.I.O., to gain recognition for purposes of collective bargaining.

The order is based on advice from the board's acting regional director at San Francisco that a longer time in which to conduct the election is necessary. The amended order allows 60 days from Dec. 31, 1952, in place of the 30-day period established in the board's first direction of election.

Farm Association May Expand

John G. McFarland of American was reelected president of Farm Underwriters Assn. at the annual meeting at Chicago. Joseph Cryan of America Fore is vice-president and K. S. Ogilvie of Western Underwriters Assn. is secretary.

Mr. McFarland in his talk advocated setting up what he calls a workshop program. This would be in the nature of a forum or gathering of those concerned with the detail of underwriting and servicing farm business. He said that the public relations program is to be expanded. Last year for a starter, the W.U.A. public relations activity through field men was extended into the farm business in Iowa. Now the same thing is to be done in Indiana.

Mr. McFarland alluded to the fact that during the year the constitution was revised so that the farm association can take jurisdiction of territory outside of the middlewest. There are companies whose U. S. and Canadian farm operations are centered at Chicago and some feel that this plan may be adopted by others and that eventually Farm Underwriters Assn. may become national in scope.

Loss Executives Elect

F. F. White, vice-president of National Fire, has been elected president of Loss Executives Assn. Edwin H. Ely, assistant vice-president of Home is vice-president; Thomas P. Finegan, Corroon & Reynolds, secretary; F. W. Bamblicher, Norwich Union, assistant secretary, and T. W. Booth, Commercial Union, treasurer. New members of the executive committee are J. F. Murray, Royal-Liverpool; J. N. Blegen, America Fore, and Ward R. Cunningham, Chubb & Son.

Hooper Retires as P. W. Western Head; Tefft Successor

Announcement is made by Providence Washington that Clayton E.



C. E. Hoopes

Hoopes is retiring on March 1 as general manager of the western department at Chicago under the company's pension plan. He started in the insurance business in 1912 and he has been with Providence Washington since 1941.

The new western general manager will be Donald E. Tefft, who has been general manager for Canada for the past two years.

The new Canadian manager will be Gordon Hunter, formerly assistant general manager there, who has been with Providence Washington about two years and who was formerly secretary of Canadian Underwriters Assn.

Mr. Hoopes started in the business with the marine department of North America in 1912, and then in 1919 was transferred to the old Chicago western department. He became marine state agent for Ohio in 1924 and in 1928 returned to the Chicago office as field superintendent. He resigned the next year to engage in the furniture business in which his family was interested in Wisconsin, but in 1941 he resumed his insurance career, going to Providence Washington. In 1943 he became marine agency superintendent for that company and in 1946 was named assistant manager in the western department of P.W. in charge of marine underwriting. He has been the manager since 1947.

Mr. Tefft graduated at Brown and is a Phi Beta Kappa. He served in the army three years and right after the war went with Providence Washington at the head office in the fire insurance department. He took over his Canadian position about two years ago.

Herman Lindsey, outgoing Arkansas state police director, is going into the independent adjusting field at Little Rock, associated with Sol J. Russell, attorney.

FOR HARD TO PLACE RISKS

CONTACT

KURT HITKE & COMPANY, INC.

General INSURANCE Agents

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MIAMI 32, FLA.
Phone 82-8228

900 Peachtree Street, N.E.
ATLANTA, GEORGIA
Phone Elgin 4481

Reisch Building
SPRINGFIELD, ILL.
Phone Springfield 8-4305

1671 Wilshire Boulevard
LOS ANGELES 17, CALIF.
Phone Dunkirk 8-3161

1926

our 27th year

1953

Eppler Advanced by Loyalty Group

Lloyd J. Eppler, Chicago and Cook county manager for Loyalty group since 1950, has now been made secretary as well. He joined Loyalty group as state agent in central and southern Illinois in 1936 after having been with America Fore in Michigan and Illinois for about 10 years.

Mr. Eppler is most loyal gander of Illinois Blue Goose and is a past president of Illinois Fire Prevention Assn. and of Illinois Field Club. He is an honorary member of Illinois Fire Underwriters Assn., and belongs to the Life Members Society of Fire Underwriters Assn. of Northwest.

He started his insurance career with the J. H. Good general agency at Kansas City in 1920, and then for a time was with Minneapolis Lloyds before joining America Fore as Michigan special agent.

Lloyds Agent and Cattle Man Form Live Stock Insurer in Ill

American Live Stock Ins. Co. has been organized at Geneva, Ill., with capital of \$200,000 and net surplus of \$100,000 primarily to write mortality insurance on pure bred cattle. The par value of the shares is \$100. Main figures in the organization are Frank Harding of Geneva and Clinton K. Tomson of Chicago.

Mr. Harding is president and Mr. Tomson vice-president. Mr. Harding operates the firm of Harding & Harding, which is an importer and exporter of pure bred live stock and which does an extensive live stock insurance business through London Lloyds. That firm was headed by Frank Harding, Sr., who died in October of 1951 and who was secretary of Shorthorn Breeders Assn. for some 25 years. Harding & Harding had an office at the Chicago Union Stock Yards for some time but this was closed about a year ago. Mr. Tomson for 10 years was executive secretary of American Shorthorn Breeders Assn. He is a prominent live stock judge and is leaving for Scotland in a few days to engage in some judging.

Otto G. Nobis of Davenport, who is a foremost Angus breeder, is treasurer of the company and Thomas J. Boodell, Chicago lawyer, is secretary. Harding & Harding will continue, of course, to represent London Lloyds and the business of the new company will be heavily reinsured at Lloyds.

Can't Return Ohio Deposits

The attorney general of Ohio has informed the superintendent of insurance that he cannot be required to return to the liquidator of a New York Insurer the \$60,000 which the company had deposited in Ohio. The liquidator had demanded that the money be returned. Not until all the claims against the company are paid can the deposit be returned, the attorney general said. The department did not make public the name of the company.

Los Angeles Assn. Elects

LOS ANGELES—With Commissioner Maloney speaker and installing officer, Insurance Assn. of Los Angeles at its annual meeting elected these officers; President, James H. Pingree; vice-president, Nathan H. Horwitz; directors, Muriel Bixby Clark, Dee B. Willcuts (retiring president), Norman

E. Branch, Hugo Burgwald, Jr., A. N. Bushnell, Jr., Spencer Lawton, James Lindsay, B. J. Lynch and Earl E. Smyth.

Past President James Bennett, on behalf of the association, presented Mr. Willcuts a water pitcher in appreciation of his services.

C. H. Cowper Is Retiring

C. H. Cowper, who has been in the fire insurance business since 1906, is retiring from the Gorman & Thomas agency at Detroit. He has been with

that organization since 1935. He started in 1906 with the old Illinois State Board of Fire Underwriters, and continued on when this became Illinois Inspection Bureau. Then from 1913 to 1915 he was with the D. A. Fisher agency of Memphis. He was for a time with Iowa Inspection Bureau and then in the Illinois field for American Eagle. From 1916 to 1920 he was manager at Quincy for Illinois Inspection Bureau, then was with Johnson & Higgins at Chicago and from 1922 to 1931 he was chief engineer of Crum & Forster at Chicago and Freeport.

C.&F. Names J. W. Murray to Engineering Post in West

James M. Murray has joined the western department of Crum & Forster at Freeport, Ill., as head of the production and engineering department.

An army veteran, Mr. Murray has spent most of his business career with Iowa Inspection Bureau and Iowa Audit Bureau. He helped organize the latter and has been serving as superintendent, with responsibility for training personnel.

The Honeymoon Is Over!



During recent lush years there has been more than enough business to go around, but conditions are returning to normal and the honeymoon is over! No longer is there a seller's market, and Insurance, like any other commodity, must be SOLD!

Advertising, in various forms, is a proven production tool, and it should play an important part in any comprehensive agency sales program today.

Have you read our booklet, "Key to Agency Development"? Simply and constructively it explains the various advertising facilities and services available to our agents.

Write for a copy; you'll find it worthwhile reading.

Then call on our Advertising Department to help you set up and implement your 1953 advertising program.

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THE PENNSYLVANIA FIRE INSURANCE COMPANY
THE COMMONWEALTH INSURANCE COMPANY OF NEW YORK
THE MERCANTILE INSURANCE COMPANY OF AMERICA
THE HOMELAND INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK 38, N. Y.

New York
Detroit

Philadelphia
Chicago

Boston
San Francisco



American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Merchants and Manufacturers Insurance Company of New York

Organized 1849

New York Fire Insurance Company

Incorporated 1832

Corroon & Reynolds, Inc.

MANAGER

92 William Street, New York 38, N. Y.

Losses paid exceed Three Hundred Fifty Million Dollars

STRENGTH



GULF INSURANCE COMPANY ATLANTIC INSURANCE COMPANY

FIRE AUTOMOBILE INLAND MARINE

National Board Opens Loss Office at Philadelphia

The National Board has opened a temporary field office at Philadelphia to survey loss adjusting practices in that area.

According to Donald B. Sherwood, the Board's general adjuster, Philadelphia was selected because it is an important center of fire insurance, ideally situated for a complete survey of loss adjusting practices. Through its field office there, all fire and extended coverage losses may be cleared to interested companies for their final approval and payment. In charge of the office are Mr. Sherwood and B.P.L. Carden, assistant general adjuster.

The companies, as always, Mr. Sherwood explained, will individually determine their course of action in all cases. To assist them, preliminary on-the-ground review and inspection will be made as notices and proofs of loss are received. Counsel and advice will be exchanged between adjusters and the field office, and encouragement will be extended to all adjusters to maintain their work at the highest possible level.

Mr. Sherwood said the survey will involve only losses occurring under fire and fire and EC or additional EC policies. All of these losses, whether adjusted by agents, field men or adjusters, will be examined. Automobile and inland marine claims will not be involved. He pointed out that for many years permanent offices have been maintained in New York and Chicago through which losses are examined before being forwarded to companies. The establishment of a temporary field office at Philadelphia by the National Board he said may be considered a worthwhile experiment in public service on the part of stock fire insurance companies.

The survey will not alter in any way the assignment of losses but, as losses are assigned to adjusters or as agents are authorized by their companies to adjust certain losses, it will be requested that a "loss index card" be prepared and forwarded to the field office of the National Board at 426 Walnut street, Philadelphia 6. That card will be maintained in an outstanding loss file and as the proofs are received the card will be transferred to the closed file after having noted on it the amount of loss and any other pertinent information, so that a complete statistical exhibit may ultimately be prepared. The staff adjusters and field men are also requested to follow this procedure so that all losses, irrespective of the adjuster involved and regardless of the amount involved, may be reviewed and then promptly forwarded to the companies.

It is requested that proofs of loss and closing papers in connection therewith be forwarded to the field office, with an unstamped envelope, indicating where the proof should be mailed after it has been reviewed.

As proofs are received, a date stamp "received" is affixed and as they are mailed to companies a "cleared" stamp will appear thereon. Proofs of loss will not be delayed in the field office. All proofs and closing papers, representing satisfactorily adjusted losses, received in the office by 3 p.m. go forward to companies that same day. The office is open six days a week and thus week-

end mail to the field office will be in the hands of the companies the following Monday morning.

In all fire losses in suburban territory, it is requested that an original and one copy of the confidential adjuster's loss report be enclosed with the proof. The original will be dispatched to the companies simultaneously with the proof and the copy will be mailed to the New York office of the National Board. Fire losses involving property located in Philadelphia county require original and one copy of the confidential adjuster's loss report in those cases where the loss is \$50 or over.

Explains Functions of Insurance Department

How the insurance department protects the public was discussed by Walter F. Brooks, deputy superintendent of the New York insurance department, in his talk at the regional meeting of Mutual Agents' Assn. of New York State at Garden City. Mr. Brooks said that he was doing this because so many not in the insurance business do not understand its function.

For this reason the department this year placed an exhibit at the state fair in Syracuse to tell how the department protects the public, what it does, and what it is.

That exhibit consisted of four charts on the walls of two facades. Two movies were shown continuously approximately 75 times a day, one on the hazards of overweight, this one prepared by Metropolitan Life, and the other on accident prevention. They were in technicolor and attracted large crowds. It is estimated that more than 100,000 people saw the exhibit. There was a staff on hand to answer questions, display literature published by the department, etc.

In his talk at Garden City Mr. Brooks outlined the size of the department, organization, function in the examination of insurers to determine their financial soundness, licensing of companies, administration of the five insurance security funds, examination and licensing of agents, brokers and adjusters to make certain they are competent and trustworthy, the methods used to determine competency and trustworthiness through written examinations, the investigation of complaints, and the function of the complaint bureau.

The department also approves policy forms, approves or rejects rates to make certain they are reasonable and adequate, and assures the policyholder of security and fair treatment. Mr. Brooks has found that the agents are much interested in the detail of what the department does and indicate that they have not heretofore known the full story.

Billings Agents Elect

A. L. Labar has been elected president of Billings (Mont.) Assn. of Insurance Agents to succeed Paul North, who was elected a director. M. L. Burg is the new vice-president and J. W. Salsbury, Jr. is secretary-treasurer. Also elected to the board was C. J. Carroll.

N. A. Buys Springfield Building

North America has purchased the former home office building of Springfield F. & M. at Springfield, Mass., and will use it to house its New England regional office, which now is located at Springfield.

Cost of Handling Daily Report is \$4.21, Texas Insurer Finds

An official of a Texas insurance company recently completed a study of the cost of handling a daily report through accounting and underwriting procedures. It was found that the cost of handling each daily is \$4.21 over and beyond the special agency expense of \$1.05 per item. These figures were the product of the division of total expenses by number of daily reports handled. Included in the \$4.21 total are salaries of clerks and officers, rent, office equipment, printing and stationery, postage, telephone and telegraph, etc. This does not embrace such things as commissions, boards, bureaus and association fees and premium taxes, and it does not include any adjustment expense, either allocated or unallocated. The special agency costs are mainly salaries, costs of automobiles and traveling expenses.

This company observes that due allowance must be made for the fact that these are average figures and that

such simple items as nominal amounts of dwelling insurance which are not mapped and on which credit reports are not ordered do not cost \$4.21. However, other policies on mercantiles and special hazard risks involving reinsurance, credit reports, etc. cost more than the average. This company feels that on a policy where the premium is say \$7.50, almost all of the premium that is left after commission and taxes is used for general expense and the liability is carried for nothing.

This company made a study of daily reports divided into six classifications according to size of premium. This shows that 12.1% of all such reports have premiums of \$10 or less and 27.4% have premiums ranging from \$10.01 to \$25. It was found that 39.5% of the dailies produced only 6.7% of the premiums. The company believes that a \$25 premium does not carry its share of the expense load and that the company is handling a lot of business at less than cost.

This company estimates that if it could eliminate items of \$25 or less it could dispense with two-fifths of the clerical staff and probably one-fourth of the executive and special agency staffs, and sacrifice only one-fifteenth of the premium income.

This company couples this cost study with an analysis of the trend of rates. It was found, for instance, that the current dwelling fire premiums on three-year business showed a decrease of 12.2% as compared with premiums obtained three years ago, and the E. C. premiums were down by 26.3%. This was in the Texas inland territory. The average decrease for fire and E. C. was 19.3%. On five-year policies there was a decrease in fire premiums of 27.4 and in E. C. of 28.6, and the average is 28.1. On three-year policies on mercantile buildings, the decrease in fire rates was 24.1 and in E. C. 3.4 and the average was 20.5.

The conclusion that this company reaches is that it takes better than a 25% increase in amount of liability assumed just to stay even.

G.A.B. Opens New Office

A new office has been opened at High Point, N. C. by General Adjustment Bureau with Roy E. Crews as adjuster in charge. Mr. Crews has been in the High Point territory with G.A.B. since 1942. He joined the bureau in 1947 and most recently was senior adjuster at Greensboro, N. C.

Joins Valatie Agency

The Valatie Agency of Valatie, N. Y., has been reorganized and D. V. Haemerlein, special agent of North America has become an associate, as has A. J. Thomas, Jr., executive vice-president of National Union Bank of Kinderhook, who has had an agency in that town for 14 years. John A. Kleever, who has operated the agency for 30 years, will continue with it. The new name is Kleever agency.

Cut Ky. Solicitor Fee

The Kentucky department has announced a new program, under which solicitors, who have been paying \$3 each for fire or casualty licenses, will now pay only \$3 for fire and casualty.

Represents Travelers 45 Years

Organized in December, 1907, by George E. McGee, Sr., and William H. Pryor, as general agents for Travelers and Travelers Indemnity, the agency of Pryor, Love & Lewis at Chattanooga observed its 45th anniversary with that group.

Know the facts about the insured's property values

● An insurance program is only as sound as its basic foundations.

Make sure your client has the valuation facts for proper coverage which make his insurance an investment—not a gamble.

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Then he wouldn't have to keep one eye on his neighbor's business and a prayer in his heart that nothing happens.

Because whatever his neighbor's good intentions, his neighbor's pocketbook may limit his "ability to pay" if his Boiler, Pressure Containers or Machinery go out of kilter and injure others or damage their property.

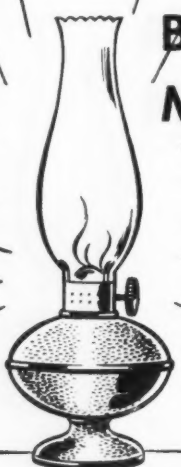
P.S. We're naturally assuming you've sold everyone who needs it Boiler and Machinery protection, the foundation of a sound insurance program.

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BURNING THE MIDNIGHT OIL . . .



PAWTUCKET MUTUAL

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RHODE ISLAND



Had a thought-provoking conversation today with a Pawtucket Mutual fieldman. It was his opinion that the public must be reminded constantly of the specialized education which an insurance agent possesses. He felt that insurance agents should be considered professional people. And how right he is! The agent's fund of information is constantly on call. Just as a doctor is on 24-hour duty, an agent's telephone is liable to ring at any time of the day or night—a client on the other end reporting a claim, making an adjustment in his policy, requesting information on coverage. Yes, burning the midnight oil is not an unusual thing for an agent whose best intellectual efforts are expended in the interests of his clients.

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Nelson Wants Minn. Fire Policy to Be Modernized

Legislation will be proposed by Commissioner Nelson at the current legislative sessions to improve the Minnesota standard fire insurance policy. An eleven point program has been worked out by the commissioner, who has had collaboration from Insurance Federation of Minnesota. Minnesota has had the same fire policy since 1895.

Mr. Nelson wants to eliminate the requirement that agents appraise a building before writing a policy and put an insurable value on it, which limits the amount of insurance permitted. He states that few agents are valuation experts, and when two or more agents issue policies on a risk, noting different insurable values, the insured often is in the middle of a controversial adjustment.

It is recommended that the valued policy law either be repealed or, "if a clear valued policy statute is actually needed to protect the insuring public, then one should be devised which is workable and devoid of entanglement."

Instead of a policy becoming void because of prolonged vacancy or by increase of hazard, insurance should be suspended only during the period of violation and automatically reinstated when the voiding factors are corrected or eliminated. The law now states that the policy is legally dead forever with no provision for reinstatement.

Strengthening of the laws to combat fraudulent claims and criminal burning of property is recommended.

The coinsurance requirements should be changed, the commissioner said, so that the owner of a small mercantile building may obtain coinsurance no matter what his total coverage amounts to. The present law says that coinsurance cannot be used unless total insurance exceeds \$5,000.

Mr. Nelson wants the exclusions on books, wearing apparel, plate, jewels and paintings unless especially mentioned, to be eliminated.

He also wants to change the requirements on appraisal or arbitration on controversial losses, so that non-residents of Minnesota may be consulted. Also, the limits of fees for appraisors should be raised from \$10 per day.

The policy is now silent as to what a payee may do to collect when the insured payor takes no action against the insurer. The recommendation is that the policy be amended to outline the payee's rights so that our chattel loans will be protected in the same manner as a mortgage on real property loans, as in the present policy.

A uniform 10-day cancellation notice to insurer in all situations is also suggested.

The proposed new fire policy and the law accompanying it should be flexible enough to permit companies to write multiple peril coverages, the commissioner states. In addition to fire, coverages included should be water damage, collapse, earthquake, and such casualty coverages as burglary, theft, glass breakage, and public liability.

He also recommends that the law be changed so that no receipt be required until the premium has actually been paid. Under the present policy, the wording is such that the policy itself becomes the receipt even before the money is actually paid.

S. E. Adjustment Makes Changes
Southeastern Adjustment Co. of

Greenville, N.C., has opened a new office at Kinston, with Thomas H. Davis as resident adjuster. Mr. Davis is a graduate of the University of North Carolina and a war veteran. His early insurance training was with American Mutual Liability.

Frank McBride, resident adjuster at Rocky Mount, N.C., has resigned, and is replaced by Robert S. Masten, who formerly was with Travelers in that city. The Rocky Mount office has been moved to 205 Short building.

181 Attend Engineers Election at Chicago

There were 181 members and guests attending the annual meeting last week of Chicago Conference of Fire Protection Engineers. The conference was organized last fall to bring together Chicago engineers in the fire protection field. The early meetings were spark-plugged by Charles J. Shukes of Cook County Inspection Bureau and were under the temporary leadership of John T. W. Babcock of Factory Insurance Assn., and Edwin N. Searl of Western Actuarial Bureau as temporary president and secretary. There are 128 charter members, including fire protection engineers from the insurance field and industrial concerns, the armed services and automatic sprinkler and other protective equipment representatives.

Emmett Cox and Harry Wolff of the fire prevention department of W.A.B. discussed at the meeting some recent tests at Miami, Kansas City and Columbia, Mo., on the indirect use of water spray in municipal fire fighting. In each of these tests, buildings which were to be razed, were set on fire and the effects of indirect water spray techniques were studied. A similar demonstration will be one of the features of the 1953 Fire Department Inspectors Conference at Memphis Feb. 24-27.

The Chicago conference has made application to become a local chapter of Society of Fire Protection Engineers. The national organization operates as a section of National Fire Protection Assn., and it is hoped that the charter will be presented to Chicago at the annual meeting of N.F.P.A. which will be in that city May 18-22.

The executive committee of the Chicago conference will hold its first meeting Jan. 29.

In a recent issue of THE NATIONAL UNDERWRITER, it was stated that the Chicagoans are a group of Illinois Tech graduates, but the majority of the members actually are from other schools, such as Northwestern, Ohio State, etc. There is no relationship between the Chicago chapter and Illinois Tech or any other university.

Fined for Hiring Minor

Virginia state corporation commission suspended the license of Roy S. Helms, Manassas, Va., agent, for 10 days and fined him \$250 in a compromise settlement of an alleged violation of insurance laws.

The commission said in an order that Helms had paid the fine. His license will be suspended from Jan. 22 to Jan. 31.

Western Loss Group's New Officers Take the Helm

New officers of Western Loss Assn. took over at the January meeting at Chicago last week. A. C. Schuck, Fire Association, is the new president replacing Harry H. Woodward, Pacific National. Vice-president is Thomas R. Gardner, Providence Washington, and secretary is Leonard E. Zell, Hanover. The new members of the executive committee are E. W. Gielow, Phoenix of Hartford; Roger Kellogg, Centennial; T. Allen, Commercial Union, and Mr. Woodward.

William C. Braun, chief special agent of the National Board, Chicago, will address the Feb. 19 meeting, giving some background on arson cases.

Announce I.A.C. Judges in Agent-Broker Contest

Norris P. Browne, assistant advertising manager of Aetna Fire, chairman of the advertising award committee of Insurance Advertising Conference, has announced judges to decide the winners in I.A.C.'s competition among agents and brokers for the best producer advertising and public relations in 1952. Some 50 entries had been received at the close of this contest Dec. 31.

Representing the general advertising publication field will be Reginald Clough, publisher of "Tide"; insurance trade publications, Ralph E. Richman, National Underwriter Co.; insurance trade associations, Louis A. Vincent, general manager National Board; insurance agent and broker associations, John O. Cole, Despard & Co., New York.

W. Roerink, analyst of American group, who will show a film on the fire policy; S. Gage Lewis of Fire Insurance Rating Org. of New Jersey, proposed form amendments; Edwin Burke, state agent of Automobile, the dwelling form; Ralph P. Evans of American Appraisal Co., values and valuations; William T. Murphy, assistant general manager of General Adjustment Bureau, nonconcurrences, and Harold Feuerstein, general counsel of New Jersey Assn. of Insurance Agents, recent legal problems.

Ill. Insurance Federation New Aid Is Miss Manson

Harry H. Fuller, president of Insurance Federation of Illinois, announces the appointment by the executive committee of Miss Florence Manson as the assistant secretary, effective March 1. She has been with the general insurance agency of Youngberg-Carlson of Chicago since 1933 and is the assistant manager of the casualty department. She is a past president of Insurance Distaff Executives Assn. and is vice-president of the Chicago Altruism Club.



Florence Manson

Huddleston Joins A.I.U.

L. W. Verne Huddleston has joined American International Underwriters Agency, Chicago, as a senior underwriter. The agency services the mid-western states for American International Underwriters. Mr. Huddleston was graduated from Earlham College and the business school of Indiana University. From 1941 to 1943 he was in the U. S. internal revenue office and from 1943 to 1946 he served in the navy. He entered insurance in 1946 as a local agent and then became general manager of the Manta & Hurst agency in East Chicago. Before joining AIU he was in the brokerage department of Critchell-Miller at Chicago.

New G.A.B. Texas Offices

New offices have been opened at McAllen and Greenville, Tex., by General Adjustment Bureau. C. L. Bond is in charge at McAllen, and E. E. Haines is manager at Greenville.

Mr. Bond graduated from Cornell University and was in banking and automobile finance before going with G.A.B. in 1937. He served in the war and later was with G.A.B. at Beaumont, Monroe, La., and Dallas.

Mr. Haines graduated from the University of Pittsburgh and joined G.A.B. in 1946 after military service. He was at Lubbock and Dallas before going to Greenville as resident adjuster.

Benfield Heads Hall & Co.

The New York brokerage firm of Frank B. Hall & Co. has elected Edward S. Benfield president. He has been in insurance since 1908 and an officer of the Hall firm since 1912.

F. U. A. P. Dates Are Set

The annual meeting of Fire Underwriters Assn. of the Pacific is scheduled for March 4-5 at the Palace hotel, San Francisco.

adequate
protection



XVIII Century Highland pistol remarkable for the excellence of its manufacture and the beauty of its decoration.

The early highlanders were considered to be the best armed soldiers in the world. But against today's modern firearms, theirs would hardly be considered adequate protection. The same parallel could be drawn of fire insurance protection of yesterday and today. With more than 147 years of experience in developing proper protection, Caledonian takes pride in the up-to-the-minute service its agents give policyholders.

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G. W. Swallow, 52-Year Fire Veteran, Retires

George W. Swallow, secretary-treasurer of New Hampshire Fire and the oldest active member of the organization, has now retired. He had been connected with the company more than 52 years.

He will continue as a director and a member of the executive committee of New Hampshire and of Granite State Fire and American Fidelity.

Mr. Swallow was working for the Manchester city library in 1900 when he joined New Hampshire Fire in the accounting department. For many years he was chief accountant, and for years served as office superintendent. He became assistant secretary in 1920, secretary in 1928, secretary-treasurer in 1931. He has been a director since 1938. He was secretary-treasurer also of Granite State Fire and treasurer of American Fidelity.

Suit on Fort Madison Loss Charges Facts Concealed

DES MOINES—A suit for \$17,209, growing out of a fire which destroyed a Fort Madison, Ia., night club in 1950, has been filed in federal court here against the Scherfe agency of Fort Madison and Paul C. Baughman, of that agency.

Plaintiffs are American Universal of Providence, and Douglas A. Cole, William Denham and T. R. Ching, all of England and representatives of Lloyds.

They allege that during 1949 and 1950 Scherfe and Baughman ordered fire and comprehensive insurance for property owned by Nabeeha Rashid of Fort Madison and that Baughman reported the building was being used as a restaurant but actually it was a roadhouse and tavern.

"These facts were studiously and intentionally concealed by the Scherfe agency and Baughman," the petition stated.

The plaintiffs also say they were informed that Rashid had had only one previous fire, whereas he actually had four other fires.

7,000 New Explosion Claims

Some 7,000 new claimants seeking about \$3 million in damages to cover losses suffered in the ammunition explosion at South Amboy, N. J., in 1950 have asked the federal court at Baltimore for the right to intervene in the original action filed last year by about 600 claimants seeking about \$5 million.

Defendant in the suit is Commercial Credit Corp., sole owner of Kilgore Manufacturing Co., maker of the mines that blew up. Insurance company members of the Commercial Credit group are Calvert, Cavalier, American Credit Indemnity and American Health.

Extended coverage claims totaling about \$9 million have been paid by fire insurers.

Advisers Expect Change

WASHINGTON—All members of the advisory board to Insurance Director Thomas Kane of the Defense Department met here and discussed possibilities, plans, programs, etc., in connection with the department's reorganization in the Eisenhower administration.

The advisory board is now under the munitions board, but reorganization of the latter is reported contemplated. Board members recognized that their

organization may be abolished or higher officials decide to make new appointments to it. Meanwhile, however, it was decided the advisors will meet March 13.

Louisville F. & M. Men Advanced to New Posts

A number of changes in official rank and in duties in Louisville Fire & Marine are announced by Leslie Miller, who is presently executive vice-president.

Eric S. Tachau, formerly vice-president and secretary, becomes vice-president and treasurer. The title of treasurer was formerly held by Paul Cliver, who is resigning.

Mr. Tachau also is going to handle a new department for underwriting "automobile earned premium profit sharing accounts." Mr. Miller states that Louisville F. & M. has developed a new approach to the underwriting of physical damage insurance on financed autos and trailers.

Douglas Morse is elected assistant vice-president and secretary. He continues to supervise the fire insurance department aided by James A. Boyden, who is chief fire underwriter. Mr. Morse also will have general underwriting and administrative responsibilities. He will be in charge of agency relations and production efforts.

William J. Faust was promoted to assistant vice-president, supervising inland marine and regular agency automobile business.

Harold C. Redlich was promoted to assistant vice-president and general claims superintendent.

David Sherwood of Fireman's Fund spoke on "The New Term Rule and Discounts" before New Hampshire Insurance Women's

Replacement Cost Plan for Dwellings to Be Extended

Fire Association is filing in all W.U. A. states, except Iowa, its replacement cost endorsement for dwellings. Illinois has been the pilot state on this and the company is eminently satisfied with the results. This endorsement contains the 100% coinsurance clause that guarantees settlement of losses on the basis of replacement costs instead of by actual cash value. In the rest of the country the replacement cost en-

dorsement filing of the bureaus does not exclude dwellings but in the west it does.

Hooper-Holmes Promotes Nickles

Hiram A. Nickles has been appointed division sales manager of Hooper-Holmes Bureau at Kansas City in charge of the west central sales division. Mr. Nickles attended Kansas University and joined the Hooper-Holmes in 1933 at New York. He was transferred to Cincinnati in 1939, and in 1941 went to Kansas City as salesman.

Greater N. Y. Brokers Elect

Jerome S. Miller has been elected president of Greater New York Insurance Brokers Assn. He succeeds Herbert J. Pohs, president since the association's formation in 1951. Mr. Pohs becomes chairman. Alex Goldberger, Vincent Marcellino and Claude Markel were elected vice-presidents. William Harmelin is recording secretary.

100th Year Hanover Dividends
Hanover's dividend payment Jan. 2

made the 100th consecutive year in which it has paid a dividend.

Auto Bills in N. Y.

ALBANY—Sen. Condon has introduced a bill that would double the present \$5,000/\$10,000 limits for compulsory taxi liability coverage. Sen. Desmond has introduced a measure to provide for semi-annual inspection of motor vehicles at private garages licensed by the motor vehicle commissioner.

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St. Paul Registers Surplus Increase of \$8 Million

The St. Paul companies again lead the parade of annual statement announcements and St. Paul F. & M. has a handsome record to report with an increase in surplus of \$8,231,853, in assets of \$12,112,313, in premiums of \$1,960,247 and in premium reserve of \$2,216,406.

The assets now stand at \$129,604,237, premium reserve \$40,491,197, regulatory surplus adjustments, \$1,606,041, special reserve fund \$1 million, capital \$20 million and net surplus \$48,949,574. Net premiums written were \$51,575,328. There was an underwriting profit of \$4,816,768, investment income earned \$3,870,957.

In spite of an underwriting loss of \$1,615,798, St. Paul-Mercury Indemnity managed to squeeze out a surplus increase of \$90,100, the new figure being \$11,146,813. The assets are \$63,966,650, premium reserve \$20,957,017, capital \$3 million, net surplus \$8,146,813,

regulatory surplus adjustments \$1,255,092. There was an increase in net premiums of \$6,112,337. Investment income earned was \$1,563,772 and there was an increase in security values of \$959,957.

Mercury had an increase in surplus of \$951,187, in assets of \$1,862,547, in premiums of \$438,496.

Revamp San Diego Agency

George W. Savage and David Corbett are the new partners in the San Diego agency of Corbett & Edelen, successors to V. Wankowski & Co. The agency has been general agents for Maryland Casualty since 1908.

Mr. Savage has been with the agency for six years and before that was an ocean marine underwriter at San Francisco, at one time being marine manager for Boston. Mr. Corbett graduated from the University of California and has been with the agency for seven years.

Marvin Kominarek has bought the Coonrod & Carow agency, Michigan City, Ind., from Louis J. Carow.

Hearing Held on Va. Retaliatory Law

RICHMOND—Irvin S. Markel, president of American Fidelity & Casualty, appearing before a Virginia corporation commission hearing, said it is "ridiculous" that his company should have to deposit \$100,000 with the state of Rhode Island in order to do business there. He said that American F. & C. does not do more than \$65,000 or \$70,000 annual business in Rhode Island.

Mr. Markel was testifying in the case of Equitable Fire & Marine of Rhode Island, which has been asked to show cause why its license should not be revoked for failing to file adequate deposits in Virginia. Collins Denny, Jr., of Richmond, counsel for Equitable F. & M., said the case is in effect a test of the "retaliatory clause" of the Virginia insurance laws, under which foreign companies operating in Virginia are required to deposit securities in an amount equal to the deposit required of Virginia companies operating in other states.

Last year, Commissioner Bisson of Rhode Island required American F. & C. to file an additional \$90,000 in securities before he would renew its license. The Virginia commissioner then raised the deposits for Rhode Island companies to \$100,000, and five of the six companies operating in Virginia complied. Equitable, however, held out.

Mr. Denny said that Equitable F. & M. will base its defense on two points: That the Virginia retaliatory feature only comes into play when Virginia companies are required to make deposits "pursuant to the laws of another state." He said the agreement between Rhode Island and American F. & C. was not pursuant to statute, but was a trust agreement. The other defense is that the Virginia law applies only as to "similar companies," and that American F. & C. and Equitable F. & M. are not in this class.

Virginia law limits bond deposits to \$50,000, except as retaliation against other states that require larger deposits for some Virginia companies. When this happens, the state can hike its demands to a point of equality.

Mr. Denny said he believes the Rhode Island commissioner went beyond his legal authority in requiring the bond of American F. & C. and that the company should have appealed to the Rhode Island courts.

The commission has taken the case under advisement.

Set Oregon Dates

Oregon Assn. of Insurance Agents has fixed the date for its annual convention. The meeting will be held at the Multnomah Hotel, Portland, Aug. 30-Sept. 1.

Millers Mutual, Tex., in Miss.

Millers Mutual Fire of Texas has been admitted to Mississippi. John D. McNeese of McNeese & Co., Jackson, has been appointed general agent for Mississippi.

Placement Board Loses

The commissioners court of Dallas has canceled the policy on the counties' voting machines and the voting machine warehouse that had been carried with Insurance Placement Board of Dallas, and turned the business over to the Wilson-Welch agency. This is a three-year policy with a premium of

\$5,885. The placement board is an activity of Dallas Assn. of Insurance Agents and handle all the insurance for the City of Dallas, Dallas Independent School District, City-County Hospital System, and it still has the policy on all county buildings.

Mas Scheid, executive secretary of the placement board, previously had protested any possible change in the voting machine insurance. He wrote that the Wilson-Welch agency policy was to "get this business" rather than offer a policy "designed to provide a decent profit and fair premium for the company."

Va. Agent Fined \$1,000

Charles D. Starkey, Newport News, agent, was fined \$1,000 by the Virginia corporation commission for alleged violation of the state insurance laws but was allowed to retain his license.

The commission found Starkey had solicited business for American Universal of Providence, which is not licensed in Virginia.

A complaint filed with the commission by Virginia Assn. of Insurance Agents contending that Starkey had failed to sell at least 50% of his policies outside a loan company which employed him was rejected.

N. H. Women's Meetings

New Hampshire Insurance Women's League held its annual bosses night, which attracted some 250 members and guests. David Sherwood, Fireman's Fund superintendent of production, detailed the reasons for the state's recent conversion to the term rule.

The league also held its first educational workshop, with members attending from more than eight cities. Eunice A. Harrison, chairman of the educational committee, was in charge.

W. Harrison Ferris of the New Hampshire Board of Underwriters discussed the new rates and forms which go into effect on Feb. 1.

Smith Joins General Agency

Fred W. Smith, formerly with the home office staff of the General of Seattle fire insurance engineering department, has joined Stuart G. Thompson-Elwell Co., Seattle.

A navy veteran, he was with Oregon Insurance Rating Bureau for two years and later with the Bryan Nelson agency of Spokane.

Crothers Phila. Speaker

Mariners Club of Philadelphia at its first meeting of the new year heard J. Alex Crothers, executive-director port promotion department, Delaware River Joint Commission, outline the expansion and development taking place in the Delaware valley.

Fort Wayne Group Elects

The Fort Wayne (Ind.) Assn. of Insurance Agents has elected Harry S. Perriguet, president; Hugh D. Fiendt, vice-president; and Clell G. Boerger, financial secretary and treasurer. The association will continue underwriting the school safety program and assist in the high school driver training program.

J. M. Clarke, who has been with Trinity Universal at Abilene, Tex., has been transferred to Austin, Tex., in charge of claims.



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OVER A QUARTER CENTURY OF SERVICE TO AMERICAN BUSINESS

George W. Carter, Famed Detroit Agent Leader, Dies at 67

George W. Carter, president of Detroit Insurance Agency, who for years had exerted a telling influence on the field, especially of fire insurance practices, died last Thursday at Harper hospital at Detroit at the age of 67. He had been suffering from a heart ailment and had been intermittently hospitalized during the past year or so. However, he had continued to keep up his explosive pace of activity. At the forthcoming midwestern territorial conference of National Assn. of Insurance Agents at Detroit, he was to have received a handsome plaque from Western Underwriters Assn. in appreciation of his contributions to improvement of public relations in the insurance business and his long leadership in agency-company conferences in the middle-west.



George W. Carter

Mr. Carter was born at Hamilton, N. D., and was brought up at Chicago. As a boy, in October of 1900, he went to work for Orient in that city and in 1903, he was given charge of the affairs of Scottish Thistle Ins. Co. in the general agency at Chicago of Neuberger & Salomon. Then for a short time he was with Moore, Case, Lyman & Hubbard and subsequently was connected with Marsh & McLennan. In 1913, he accepted a position as office manager of D.I.A., as the Detroit Insurance Agency is familiarly known. Just a year later he was named secretary-treasurer and a member of the firm, and he had been president since 1931.

Mr. Carter acquired the General Motors insurance line for D.I.A. and throughout the years he maintained the high speed supercharged night and day pace that leaders in the motor industry at Detroit have generated for themselves. His energy was outstanding and he was possessed with a great will to win. He was a close friend of the late William Knudsen and of the Fisher

(CONTINUED ON PAGE 23)

A.F.I.A. Promotes Putnam

American Foreign Insurance Assn. has promoted Harrington Putnam, regional supervisor, to assistant general manager. He will supervise operations throughout South America.

A graduate of Princeton, he started in the business in 1928 with Stuyvesant and in 1938 went with Johnson & Higgins. He joined A.F.I.A. in 1946 and went to Brazil as supervisor there, later becoming regional supervisor of Brazil, Argentina and Chile.

By special agreement, Field Superintendent N. H. Wentworth has assumed an official position with America Fore at New York. Continental, Fidelity-Phenix and Fidelity & Casualty are members of A.F.I.A.

Corry Named Director

W. W. Corry, executive vice-president and secretary of National Fire, has been elected a director to succeed

W. A. Purtell, who resigned on his election as U. S. senator from Connecticut.

"Other Insurance" Decision Is Given By U. S. Court

The U. S. 7th circuit court of appeals has affirmed a decision against Hartford Accident and in favor of American Employers in a case involving respective liabilities of the two insurers arising out of a single accident. The case is McFarland et al vs Chicago Express, Inc., defendants; Hartford Accident counter-defendant, cross defendant, appellant vs. American Employers, cross-defendant, appellee, CCH (Automobile) 51.

American Employers had a policy with limits of 50/100 on a motor truck owned by Butterfield Canning Co. This truck was involved in an accident while being operated by Chicago Express, Inc. under a lease for one trip. Chicago Express had a policy of \$100,000 with Hartford Accident.

Hartford settled the suit by payment to the McFarlands of a total of \$13,500 and then sought to secure from Employers a contribution toward the settlement.

If Butterfield had not had the Employers policy, there would be no question of the liability of Hartford. The "other insurance" provision in the Hartford policy was: "If the insured has other insurance against a loss covered by this policy, the company shall not be liable . . . for a greater portion of such loss than the applicable limit of liability . . . bears to the total applicable limit of liability of all valid and collectible insurance against such loss."

The "other insurance" provision in the Employers policy was: "If other valid insurance exists . . . this policy shall be null and void with respect to such hazard otherwise whether the insured is specifically named in such other policy or not; provided, however, that if the applicable limit of liability of this policy exceeds the applicable limit of liability of such other valid insurance, then this policy shall apply as excess insurance against such hazard in an amount equal to the applicable limit of liability of this policy minus the applicable limits of liability of such other valid insurance."

The court concluded that with these expressed limitations on its liability the Employers policy did not constitute "other valid and collectible insurance" within the meaning of the Hartford policy.

Cole Home's Boston Chief

Home has promoted C. Stewart Cole, formerly associate manager, to manager at Boston. He will also supervise production activities in Massachusetts. He started with Home at Chicago and went to Boston in 1929.

Offers Insurance Scholarship

King County Insurance Assn. is providing a one-year tuition scholarship for a University of Washington insurance major who excels in his studies, as part of the association's expanding interest in insurance educational work at the university.

Colyer Joins Seaboard

Donald H. Colyer, who recently resigned as assistant secretary of Indemnity of North America, has joined Seaboard Surety in the miscellaneous surety division at the head office. He has had 20 years of experience in fidelity and surety.

C. L. Rittenberg Heads New Orleans Board

NEW ORLEANS—Charles L. Rittenberg was elected president of New Orleans Insurance Exchange at the annual meeting. He is with the agency of



Meyers, Whitty & Hodge. James C. Kraus is vice-president; Alfred M. Barnes is secretary and Leonard M. Wise is treasurer. In the picture at the

front are shown Mr. Rittenberg and Mr. Kraus, and at the rear Mr. Barnes and Mr. Wise. Talks were made at the meeting by Emmett A. Herring of Hammond, president of Louisiana Assn. of Insurance Agents; Eugene Bingham of Baton Rouge, national committeeman of that association, and Allen H. Smith of Baton Rouge, the secretary-manager.

MacConnell Phila. Manager

Ellwood MacConnell has been promoted by Northern Assurance to resident manager at Philadelphia, serving eastern Pennsylvania, Delaware, eastern Maryland and Washington. Appointed special agent to assist Mr. MacConnell is Robert P. Elliott, formerly in the Philadelphia office.

Mr. MacConnell has been with Northern Assurance 15 years. He is an army veteran. Mr. Elliott went to the company from the Williams & Walton agency.

Fire losses at Billings, Mont., which for the past four years have averaged \$276,000, in 1952 were reduced to \$26,000.



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Flett Gives Warning on Mutual Insurance

(CONTINUED FROM PAGE 2)

cooperative insurance organizations—but can members of an insolvent mutual fire and casualty insurance organization limit their liability to third parties?" he asked. He said he believes third parties interested in the assets of an insolvent mutual insurer, in addition to claimants, could be any person or corporation, such as receivers, attorneys, the Treasury Department, mortgage holders, banks and other types of creditors who might have an interest in the assets and liabilities of corporations, "particularly those companies purchasing cooperative insurance."

Public officials such as school board trustees in Illinois who permit purchase of mutual insurance could be held personally liable for assessments, Mr. Flett said, based on an article which he read from the state constitution. Assessments in a defunct mutual are spread, based on the laws of the state of incorporation, "therefore, a mutual policy purchased in Illinois may be subject to the assessment laws of another state, such as Rhode Island where assessments may be levied up to 20 times premium paid. Other states may have no limitation specified in the laws."

Some buyers of mutual insurance purchase policies to provide against assessment of the underwriter on their risk, he declared, adding that the exclusions and limitations of this type of contract should be thoroughly understood, particularly as relates to risks reinsured with other mutuals.

Mentioning a mutual fire reinsurance organization that also handles casualty, Mr. Flett asked, "does this mean that some of the prominent fire mutuals, through this reinsurance organization, are using the assets of members to assist financially, mutual casualty companies that have been absorbing terrific losses in workmen's compensation and automobile insurance?... I think buyers of mutual fire and casualty insurance should be advised regarding the placing of reinsurance on their properties in other mutuals because of the liabilities that may be incurred."

Mr. Flett suggested that buyers of mutual insurance should be interested to know in writing if the formula used in the distribution of "so-called dividends" was uniform to all members based on similar hazards, if the dividend represented a distribution of all profits over and above expenses and necessary reserves, "or is it an arbitrary amount distributed by the man-

agement; and if all of the profits are not distributed, is the unpaid balance forfeited to the company as stipulated in some mutual contracts, and who eventually receives this money?"

The purchaser might also want to know whether "selected members, officers, directors or other individuals, including sales producers identified with or employed by the mutual insurer received, directly or indirectly, any part of the tremendous profits and commissions that may be involved in various transactions connected with the operation of a co-op for its members," mentioning buying and selling investments, placing of insurance or reinsurance contracts, real estate transactions.

Mr. Flett took up the tax situation of mutual insurers, "whereby about 20% of the larger mutual fire and casualty companies pay token federal income taxes." Noting that there has been publicity that some mutuals pay more tax than certain stock companies, he asserted: "About the only time this takes place is a comparison with stock companies which have been losing money."

In his rebuttal, Mr. Flett said it took him about 12 years to accumulate his information, which he declared to be considered one of the most sensational and controversial issues in the insurance business, "as it completely shatters the faith of many buyers in insurance carriers who have sold insurance contracts to the public by concealing information."

"In over 40 years' business experience, I have never known of corporations entering into any type of contractual obligation, except insurance, where they did not receive copies of all of their contracts and thoroughly understood their assumed obligations and liabilities. It is fantastic to think such a deplorable situation exists in the insurance business, but it is true."

Open House at Jackson

Magnolia Ins. Co. and Magnolia General Agency, headed by Ben O. Logue held open house in its new home office building at 819 North State street, Jackson, Miss.

Seattle Marine Men to Elect

The annual meeting and banquet of Board of Marine Underwriters Seattle, will be held Feb. 6. The annual business meeting will be followed by a cocktail hour, banquet and entertainment.

Leonard Walters, research manager of Hardware Mutual Casualty, was a speaker at the Greater St. Paul industrial safety forum.

Smith Deplores Attacks on Mutual Companies

(CONTINUED FROM PAGE 2)

have been "highly satisfactory."

The other class is the advance premium or legal reserve mutuals, operating under insurance codes "which are substantially uniform throughout the country. Their premium charges are governed by the same rate regulatory laws which apply to stock companies. Their reserves for the unearned portion of premiums paid in advance, their reserves for losses and for other purposes are governed by exactly the same standards as those which apply to stock companies. They pay premium taxes to the state on the same basis as stock companies. Their financial statements are presented in the same detail and according to the same pattern as stock companies."

The difference between a mutual company and a stock company lies in the character of its ownership, he stated. Profits of stock companies go to the stockholders, while with a mutual the excess is refunded to the policyholder or held as a safety fund.

Most mutuals issue non-assessable policies, Mr. Smith remarked. "In none of the cases has the member of a company ever been found to be liable for the debts of a mutual company. No statement to that effect is true except in the sense that the policyholder may have a policy contract which commits him to an assessment—and when he pays his agreed assessment his full obligation is discharged... if the insurance policy which is delivered to you says that it is non-assessable, you can never be assessed under it. If the policy says nothing on the subject, you can't be assessed."

On the question of taxation, Mr. Smith stated "there has been a planned campaign of vilification and misrepresentation on that point. There is a difference between the stock company tax system and the mutual and as long as the stock company people refuse to accept our basis, that will continue." He remarked that the stock company people in the last year told Congress that they are not interested in a change of the tax program for either the stock or the mutual business.

The non-tax paying mutuals are the 1,700-odd companies writing less than 3% of the total mutual fire and casualty business. "On that background, the propagandists advertise in the papers and by radio that most mutual insurance companies, or that many mutual insurance companies, are tax-

avored exemptees."

The larger mutuals pay a tax which is 1% of their gross income from premiums, investments, or other sources, without regard to profits or losses, or they pay the regular corporate rate on their investment income, whichever yields the greatest tax, Mr. Smith explained. "In other words—win, lose or draw, the mutuals can never pay less than 1% of their gross income." He illustrated this point by citing the tax record for five years of a stock casualty insurer of some size that paid about 80% of the taxes paid by Lumbermens Mutual Casualty, but went on to say that such illustrations are meaningless, because good examples can be made either way. He said the mutuals are for their theory of tax because it does not violate the idea of building up reserves for catastrophes.

"You hear a lot of pure bunk about examining the laws of the states where the insurance company is organized, about getting your entire contract and about reinsurance," Mr. Smith said. "I have never seen a case where a policyholder did go into these matters without being thoroughly satisfied and without ending up a better friend of his mutual company. To throw about this kind of nonsense, dealing in generalities, innuendos and implications in our business is on the level of a whispering campaign that the First National Bank has some bad loans and that the corner bank is busted."

Mr. Smith listed 15 or 20 questions that a purchaser of stock insurance could ask about the activities of his broker, the soundness and legality of the stock contracts, but said there is no point in asking these questions "simply because the records show that life is too short, that nearly all the insurance companies have reputations based on long and honorable experience that prove this to be unnecessary, and if the company hasn't the reputation, then take another look."

The record of insurance in the United States, stock or mutual, he said, is a "record of service unsurpassed by any other segment of the American enterprise system... I for one am perfectly willing that everyone should buy his insurance on the basis of the selection of that company, stock or mutual, which offers the best technical service, dependable protection and at a fair and proper cost."

Mr. Smith's rebuttal was brief and off-the-cuff. He did some poking at Mr. Flett's booklet, "Meeting Mutual Competition," quoting some refutations of it that were made by Roger Kenney of the U. S. Investor. He said the simple fact is that anyone can get information on his insurer.

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Nelson Renamed; May Face Opposition

ST. PAUL—Commissioner A. Herbert Nelson has been reappointed by Gov. Anderson but there are indications there will be opposition to confirmation by the senate when it comes up for action. He was appointed in 1951 to fill out the term of Armand Harris, who resigned to join St. Paul Fire & Marine. As there has been no legislative session since that time, his appointment has never come up for confirmation. His present term expires about Feb. 1 and it is assumed the governor has appointed him for another six-year-term.

Commissioner Nelson has stepped on the toes of some people who are reported out to "get his scalp." However, he has strong backing from some agents' groups because of his efforts to improve agents' qualifications and to protect their interests in other ways.

Cincinnati Board Program For Accountants Group

CINCINNATI—Cincinnati Fire Underwriters Assn. will sponsor a forum on insurance problems from the buyer's viewpoint at a dinner meeting of the local chapter of National Assn. of Cost Accountants here Feb. 19. A. J. Lenke will discuss fire insurance, R. A. Ryan casualty lines, R. E. Winkler of Frederick Rauh & Co. marine and inland marine, Thomas Klinedinst of Thomas E. Wood, Inc. fidelity and surety and J. J. Conway, manager Western Adjustment, adjusting problems. The talks will be followed by a question period at which J. C. O'Connor, executive editor "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, will be moderator.

O.K.'s Licensing of Co-ops

Attorney General E. G. Brown of California, in answer to a series of questions by Commissioner Maloney on the legality of licensing consumer co-operatives as insurance agents, has stated that these co-operatives are non-profit corporations within the meaning of the insurance code, and if they are licensed as agents or brokers, the payment of stock or of patronage dividends would not be an unlawful rebate in any situation where payment

of dividends to stockholders of any other corporate agent or broker would not be unlawful.

The commissioner had asked whether a consumer's cooperative would be considered a non-profit corporation forbidden to be licensed as an agent, whether its transactions would be personal or controlled insurance, and whether dividends might be unlawful rebates.

Cites Weakness in Tex. Law

George Butler, life insurance commissioner of Texas and chairman of the board of insurance commissioners there, issued a statement that lax provisions for regulating county mutual fire insurance companies had proved costly to the public. There are now 15 such insurers in receivership and in this connection some 5,000 policyholders become subject to an assessment of \$1 to \$5 of \$100 insurance in force. Most policyholders, he said, were unaware of their liability for assessment.

Ohio Legislative Chairmen

The Ohio senate has appointed Ross Pepple, Lima, chairman of the insurance committee and vice-chairman. As previously reported, Harold L. Short, Piqua, is chairman of the house committee on insurance.

Slate Purdue Arson Course

The annual seminar and training course in the detection and investigation of arson will be conducted at Purdue university April 27-May 1. Since the course was established in 1945, more than 2,000 investigators have taken this specialized training.

Chenet Returns to Duty

James H. Chenet was reelected assistant secretary of the North America companies upon his return from 21 months duty with the air force. Mr. Chenet, who heads the aviation department, was recalled to duty as a captain. He joined North America as supervising underwriter in the aviation department in 1946.

Ark. Ambassador

Walter L. Hays, president of American Fire & Casualty of Orlando (right) is shown receiving the honorary appointment of Arkansas Traveler. At the left is J. C. Mitchell of Searcy, Ark., who acted as representative of

Jackson Sounds Warning on Unlicensed Writing

Insurance companies have been warned by Commissioner Jackson of Maryland of possible violation of the statutes in connection with the entry by unlicensed company representatives into the state to aid in forming and placing insurance contracts.

Commissioner Jackson said that the department's attention had been called to several instances where representatives from the home office and special underwriters had followed this practice in Maryland. He directed attention to chapter and verse of the

1951 edition of Flack's Annotated Code of Maryland, which reads in part:

"...and you are hereby warned that if you permit any unlicensed representative to attempt to negotiate any contract of insurance or reinsurance for your organization without having such person properly licensed, you and your representatives will be subjected to the penalties provided by law for such violations."

Donald F. Dean, manager of City Securities agency, Indianapolis, has been elected vice-president of City Securities Corp. He was formerly Indianapolis manager of Western Adjustment.

An Auspicious Beginning...



Whenever a group of individuals unites for a common purpose, one of its first duties is to adopt an appropriate design or insignia of which all can be proud. It was only natural, then, that, four days after our first policy was written by hand on January 17, 1782, the Directors met and approved an emblem. It consisted of a shield bearing the well-known mythological phoenix rising from its ashes—illustrating the whole gospel of insurance. This insignia was used until 1936 when it was incorporated into a true heraldic coat-of-arms. It is now recognized throughout the world as a symbol of sound insurance in which everyone can have complete confidence.

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| *High Limits—FPC | *Livestock Mort. |
| *Truck and Bus | *Malpractice |
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Govern McMATH, in making the presentation. This award is in recognition of Mr. Hays' distinguished accomplishments. He has now got the necessary papers to serve as ambassador of good will from Arkansas to the people of other states and other nations.

FIELD

Kansas Mid-Year Field Meeting Held at Wichita

Roy E. Eblen, retiring vice-president of Phoenix of Hartford; L. B. Burt, vice-president of Preferred, Topeka; Carl Moore, Topeka independent adjuster, and Tom Pollard, Alliance co-operative, Topeka, were voted honorary life members of the Kansas Blue Goose at its semi-annual meeting at Wichita. Eight candidates were initiated.

A Western Kansas puddle was authorized with probable headquarters at Great Bend, following a report that 27 prospective members from nine towns in the area representing nine companies desire to form a puddle.

W. S. Gibbons, retired Kansas manager of St. Paul, was guest of honor at

the banquet. Secretary George E. Freeze, former Kansas state agent represented the home office and spoke.

The annual meeting May 26-28 will be held at Lake Taneycomo, Mo., along with other field club gatherings.

Kansas Fire Underwriters Assn. at its meeting adopted plans for the new year. The Kansas public relations and education committee held round table meetings for the eight zones into which the state is divided and closed with a general session conducted by Chairman Gene Thomas, Kansas City Fire & Marine.

Sterling at Eastern Rally

Most Loyal Grand Gander S. L. Sterling will be the featured guest at the annual meeting of eastern district ponds at Philadelphia Jan. 26. This will be a combination meeting of the Penn pond and the Baltimore and Washington ponds.

Travelers Fire Names Penquite Omaha Manager

Leon M. Penquite, who has been assistant manager of Travelers Fire at Omaha, becomes manager there to succeed Earl H. Jorgensen, who retired after more than 27 years service.

Mr. Penquite started with Travelers as special agent at Des Moines in 1936.



Leon M. Penquite



Earl H. Jorgensen

He was promoted to assistant manager there in 1941, and was transferred to Omaha in the same capacity in 1952. He received his B.A. and LL.B. degrees from University of Iowa. Before going with Travelers he was an attorney, an insurance agent, attorney in the Iowa department and deputy insurance commissioner of Iowa.

Mr. Jorgensen joined Travelers as manager at Omaha in 1925. A graduate of University of Nebraska, he previously had been with St. Paul Fire & Marine at Omaha.

Elect in N. J. Jan. 26

New Jersey Insurance Fieldmen's Assn. will hold its annual meeting at Newark, Jan. 26.

Hear Chemical Expert

"Dangerous Chemicals" was the subject of an address by Capt. Charles Bahme, director of the dangerous chemical detail of the Los Angeles fire department, before southern California Fire Underwriters Assn.

He held that about 90% of plants that have explosions are knocked out by things inherent in the plant. There are 50 classes of firms storing chemicals and only one-tenth make reports. He deprecated the carelessness that is evident in causes of chemical explosions.

Rearranges Minn. Field

North British has rearranged its Minnesota field supervision.

State Agent Walter A. Ayrault now will devote his entire time to northern Minnesota. Robert S. Shotwell, recently appointed state agent for southern Minnesota, will make his headquarters with Mr. Ayrault at Minneapolis.

Mr. Shotwell attended University of California and Golden Gate College, specializing in insurance. Recently he has been with Royal-Liverpool as special agent in California.

Retires After 37 Years

George E. Freeze, secretary of the St. Paul group and former Kansas state agent, was back at Wichita to attend a retirement party given by W. E. Gibbons, veteran Kansas manager, by the Kansas Blue Goose on his retirement after 37 years. Mr. Gibbons started in 1914 with the hail department operated by Van Arsdale & Osborne Brokerage Co. as a hail adjuster, later serving as hail special agent, fire spe-

cial agent, state agent and Kansas manager. He has been active in all field club organizations and for five years has been secretary of Kansas Fire Prevention Assn. Mr. Gibbons was presented a portable typewriter.

American Names Beard in Ind., Kneeland to Iowa

American group has appointed Jack A. Beard as special agent in charge of western Indiana, replacing Francis P. Kneeland, special agent, as of Feb. 1 when Mr. Kneeland will be transferred to Iowa.

Mr. Beard was a captain in the army during the war, and recently completed a second tour of duty. His insurance background includes both agency and field work. Headquarters for western Indiana will be continued at Indianapolis.

Name Inglott in Cal.

Thomas J. Inglott has been named by National Fire as special agent in the Los Angeles territory. He is a graduate of Massachusetts Institute and served in the army air force during the war. His insurance training began with Pacific Fire Rating Bureau, and he joined National in 1952.

Rochester Club Elects

The new officers elected by Rochester Field Club are: President, A. H. Darnell, Jr. Automobile; vice-president, Charles D. Allen, Scottish Union & National; secretary, Harry A. Craig, Fire Association; treasurer, Chapin Blake, Aetna Fire; chairman executive committee, Harry J. Crowther, Home; executive committee members, Richard W. Emerson, Springfield Fire & Marine; Walter L. Reardon, Continental; John M. Finley, General Adjustment Bureau, and Russell L. Free, Loyalty group.

Bay State Club Schedule

Bay State Club heard William Reardon of the Massachusetts registry of motor vehicles at its January meeting. The tentative schedule for future meetings: Feb. 16, luncheon, speaker: Arthur C. Conley, counsel, Insurance Federation of Massachusetts; March 12, dinner, loss adjusters' night; April 15, dinner, insurance department night; May 15, luncheon, annual meeting, and June 8, annual outing.

Oregon Pond Hears Leedy

R. A. Leedy, United States commissioner and president of Oregon State Bar, spoke at the Jan. 19 luncheon meeting of Oregon pond Blue Goose at Portland on "Oregon's Five-Foot Shelf of Books."

Two Named in Pa.

John V. Down has been promoted to executive state agent in eastern Pennsylvania and southern New Jersey for Phoenix of Hartford, and Francis A. Dorman, Jr., has been named special agent at Philadelphia. He has been in the training department at Hartford.

Fireman's Fund has moved its office at Omaha from the City National Bank building to 4009 Leavenworth street. This is a new and modern air conditioned building with plenty of parking facilities for agents.

WANT ADS

Rates—\$15 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline 5 P. M. Friday in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—FIRE & CASUALTY EDITION

YOUNG MAN FOR ADVERTISING

Somewhere in the insurance business there may be a young man who thinks he has an aptitude for and aspires to a position in advertising. A leading fire and casualty insurance organization in New York City solicits correspondence with such aspirants. A good command of English composition and solid education background are essentials. Advertising experience not necessary, but helpful. Opportunity to develop into position of responsibility. Salary commensurate with ability. Give full data in first letter. Box NU 128, 221 W. 41st St., NYC 36.

Old, well established casualty company outside Chicago area needs young, experienced fire underwriter to work with management in developing new department. Must be thoroughly familiar with approval methods of risk selection, policy and endorsement forms, rating, etc. Should be qualified to meet and correspond with agents. Write in detail including starting salary expected. If desired your reply will be treated as confidential. Our employees know about this ad. Address P-77, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FOR SALE

General Insurance Agency in fast growing Northwest Wisconsin City of 36,000. Also with agency is merchantile and office building in downtown section of City. Monthly rental value of \$500. \$40,000 required to negotiate. Insurance office on ground floor of building. Address P-65, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED CASUALTY SPECIAL AGENT

By old responsible Casualty Company Young Man with some casualty field and underwriting experience in Midwest operating from Des Moines. Right man can make excellent future for himself. Address P-48, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

National Inspection Co. wants men with fire underwriting experience or good educational background to be trained for inspectors. Excellent opportunity. Write or apply National Inspection Co., Room 1818-309 W. Jackson Blvd., Chicago 6, Ill.

RIGHT MAN for GROUP SALES

Has a REAL lifetime opportunity NOW with one of America's largest and fastest growing insurance companies. Earnings are commensurate with experience, education, potential and progress; other conditions ideal. Write to us about yourself, your ambitions and your qualifications. Your inquiries will be kept in strictest confidence. Address P-68, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

OFFICE SPACE

Agent desires to share 455 square feet with Fire and Casualty Insurance Broker. Has private secretary. Located in the Insurance Exchange Bldg. Address P-73, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

CASUALTY UNDERWRITER WANTED

Established Chicago general agency wants young draft exempt experienced casualty underwriter anxious for advancement. Excellent opportunity for ambitious individual. Salary commensurate with ability. Address P-74, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

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Ambitious, energetic young man over twenty-five with Marine experience to enlarge, develop and manage an Inland Marine Department, operating throughout Louisiana and Mississippi. Headquarters, New Orleans, La. Large producing fire agency plant to work with Unlimited opportunity. Address P-76, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

AGENCY MANAGER WANTED

Chicago Agency seeking Manager prepared to give full time. Give background and experience. Great opportunity. Agency now operating at minimum expense. Address P-78, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

FIRE UNDERWRITER

Excellent opportunity for a young man to head new department for a large casualty company entering the fire field. Experience in fire writing in Cook County and vicinity preferable. Salary commensurate with experience and ability. Give full details in first letter. Address P-70, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Minn. Field Men Told of Catastrophe Loss Plan

MINNEAPOLIS—A blue print for handling catastrophe losses was presented to Minnesota field men by Harlan Caton, Minneapolis adjuster, at a meeting of Minnesota Fire Underwriters Assn. He explained the National Board plan and told the field men how they could assist to the benefit of both assured and insurers.

"One important phase of this catastrophe loss plan and something that you field men should be sure that your agents are aware of," he said "is that immediately following a catastrophe, for a period of 72 hours, no losses should be adjusted by agents or adjusters. National Board knows from experience that when insurance is faced with a multitude of claims, it is first necessary to set up the machinery to handle these claims before trying to dispose of the losses. This time is well spent."

He cited the responsibilities of companies, agents, field men and adjusters in handling catastrophe losses. He gave credit to the men in company-owned adjusting organizations for doing a "grand job" in catastrophe losses and for handling the bulk of the losses.

Uhran in Mountain Field

Northern Assurance has appointed John T. Uhran, Jr., special agent to assist State Agent A. T. Cabell in the supervision of Colorado, Wyoming and New Mexico. He will have headquarters at Denver.

He is an air force veteran and after attending Universities of North Dakota and Colorado was with Mountain States Inspection Bureau, first as an examiner and then an inspector.

Plan Steel City Installation

Steel City Blue Goose on Feb. 2 will hold its installation meeting. Nearly the entire membership of 65 is expected to be on hand. The guest speaker will be Robert L. Wiseman, independent adjuster of Washington, grand guardian. The model ritual team of the Penn Pond will induct a number of goslings.

Patterson in N. Y. Post

Oliver F. Patterson, Jr. has been appointed special agent in suburban New York and Long Island for Phoenix of Hartford. He has had training at New York, and will have headquarters at 161 William street.

La. Field Men Hear Kelleher

Harry B. Kelleher, New Orleans attorney and counsel for National Board, said that Louisiana now has one of the most advanced and enlightened insurance codes in the country, in addressing the luncheon meeting of Louisiana Fieldmen Assn. James J. Howe presided. C. C. Dupuy, Hartford Fire, was elected as a director to fill the vacancy caused by the transfer of Ted. E. Patterson of America Fore to Charlotte, N. C.

Griffin Heads Washington Fire Underwriters Assn.

Washington Fire Underwriters Assn. elected Van C. Griffin, Glens Falls, president at the annual meeting at Seattle. He succeeds Mark T. Perry, George C. Newell & Co.

C. B. Nelson, National Union Fire,

becomes vice-president; L. W. McChesney, Great American, secretary. On the executive committee are Van C. Griffin, C. B. Nelson, Charles H. Flohr, Home; Benjamin Barnett, North British, and Thomas M. Barber, Automobile.

Master of ceremonies at the banquet was H. O. Price, Gould & Gould. Tape recordings of the "Could This Be You" radio series were run off by Sergeant Baker, Washington state highway patrol.

Guy C. Worthley, John A. Whalley & Co., and David A. McKinley, who retired in December as regional manager of Royal-Liverpool, were elected honorary members.

Brundick, III, in Fla. Field

S. W. Brundick, III, son of the president of Brundick & Bowles, managing general agents of Jacksonville, has been appointed special agent for that organization.

He attended the University of Florida and was with the southern department of Pacific National, at the head office of Caledonian in Scotland, and was with the general agency before going into the army. Before starting his travels, Mr. Brundick will attend the training school of Employers Liability.

Envelope Claim Draft Proves to be Serviceable

Northwestern Mutual Fire has introduced a novel system for paying small claims that is designed to give faster service and eliminate much detail. What is called an envelope claim draft is used. This is actually an envelope with the claim draft portion printed on the face. When the draft is issued, loss papers and repair bills supporting the claim are sealed in. The envelope draft is then sent to the agent for delivery and the insured cashes this, being cautioned not to get nosy and peer inside by the legend "Void if Opened." It is then cleared through banking channels to the home office. This envelope gives a complete record of the entire transaction and provides the source of complete statistical and experience records.

Bogk Promoted in Wis.

Loyalty group has appointed Walter F. Bogk as assistant manager at Milwaukee. He has been special agent there since 1946, and before joining Loyalty group was with the Chris Schroeder & Son agency as bond department manager. He started in insurance with Washington National at Washington, D. C. Mr. Bogk will assist William C. Howe, Milwaukee manager.

Opposes Compulsory Auto

In part I of the Illinois insurance department annual report, J. Edward Day came out in opposition to making automobile liability insurance compulsory in order to stem "the continually rising level of automobile insurance premiums". Careful study of various proposals along this line, Mr. Day said, indicate that arguments against compulsory automobile insurance far outweigh the advantages claimed for it.

The liquidation division closed 12 proceedings during the year, the report shows.

Set Wash. Meeting Dates

Washington Assn. of Insurance Agents has set the date for its annual convention for Sept. 2-4 at the Olympic Hotel, Seattle.

His friends called him

THE "ICE BREAKER"



He had IT, this agent did. Charm, personality and savoir faire. He had everything it takes to warm up the coldest client. And he did, with delightful conversation and the latest stories. Everybody loved him but he just couldn't sell insurance. He discovered, as most people do, that a genial personality isn't quite enough to sustain business with.

Clients want facts—figures and information. They want service—fast, efficient and accurate. Every day more agents all over the country are learning to depend on Pearl American for the things they need after the ice is broken . . . company cooperation, underwriters' and fieldmen's non-technical skill and assistance, and S-E-R-V-I-C-E . . . instantly! Join the other agents and brokers who have warmed up their old clients with the help of Pearl American.

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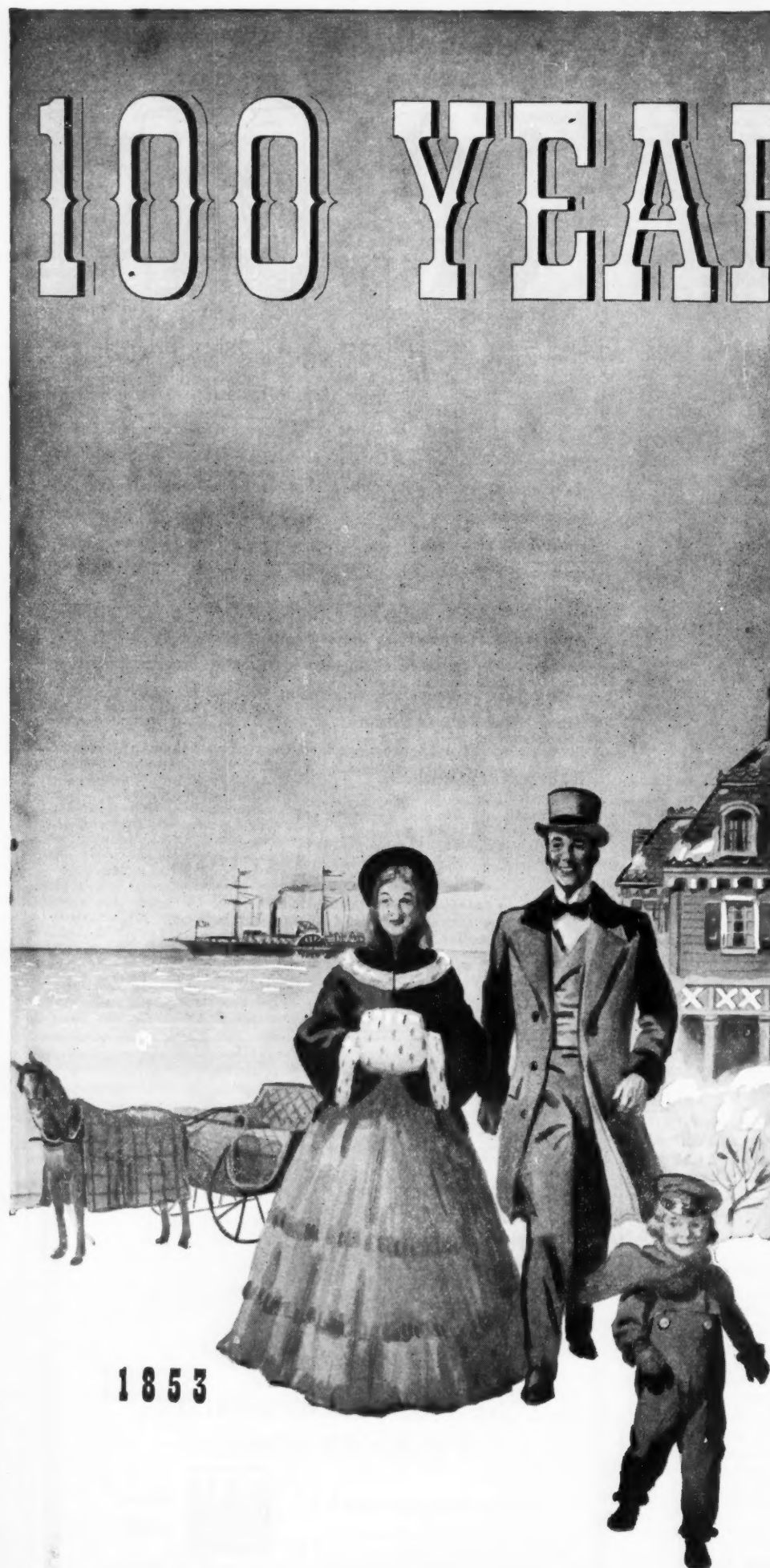
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Insurance was scarce.

Responding to this need, courageous businessmen furnished capital and launched several insurance companies. Many of these, or their successors, are prominent today. Among them are The Continental Insurance Company, the Fidelity-Phenix Fire Insurance Company and the Niagara Fire Insurance Company, all members of the America Fore Insurance Group.

For more than a century these companies have shared in the trials and triumphs of America by providing industry and individuals with insurance protection and peace of mind.

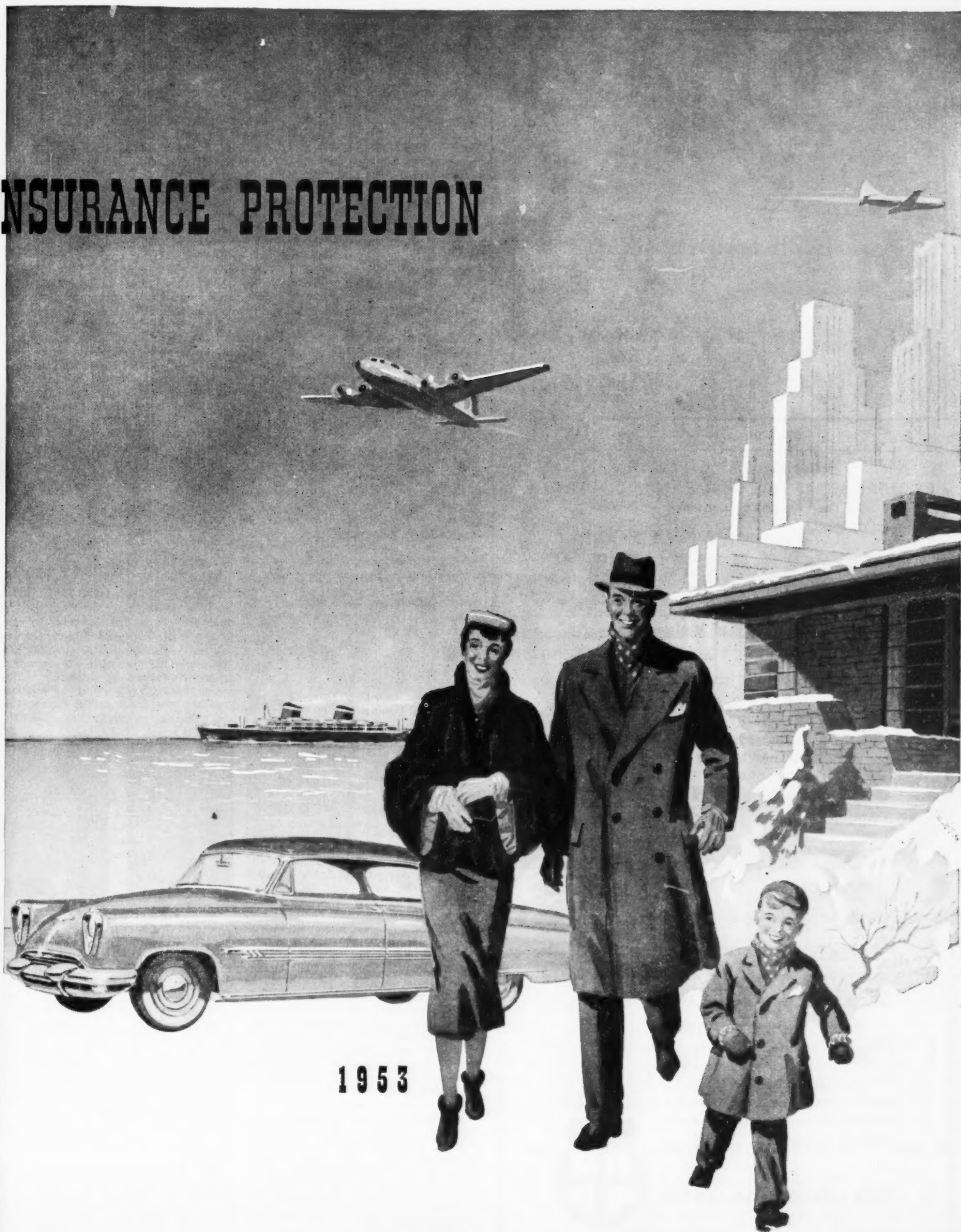
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In this anniversary year, we salute our 40,000 Agents and the Brokers across the United States and Canada who bring America Fore protection into every community.



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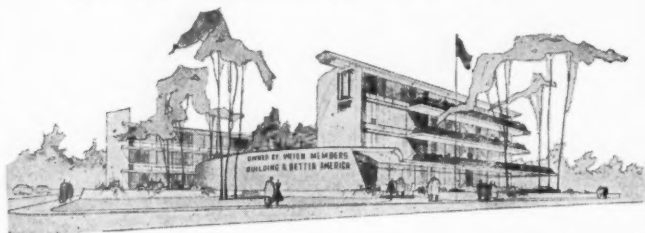
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N. E. Agents Are Cool To New Rules on Betterments

Although agents had indicated opposition to the proposed drastic restriction on "improvements and betterments" insurance in New England, New England Fire Insurance Rating Assn. may go ahead and adopt the new rule that has been recommended by Eastern Underwriters Assn.

The object of the new rule is to avoid double payments of losses to both landlords and tenants on improvements and betterments. It would separate the improvements coverage from the contents and cover for tenants only if they have a written lease. The present common practice in New England of insuring improvements and betterments jointly in the names of landlord and tenant would be specifically prohibited.

It is also common practice in New England to include improvements and betterments with property of tenants, together with a sole and unconditional ownership clause.

The proposed new rule was discussed by company men and agents at Boston last week. This was a conference between a committee of the rating association and the liaison committee of New England Assn. of Insurance Agents. It is understood that the new rule got a cool reception from the agents. It has been endorsed by the rating methods research committee of E. U. A. for adoption by rating organizations throughout its territory.

The E. U. A. rating committee said when it recommended the new rule, that both the rule and the endorsements are intended to reflect current trends and conditions in renting and leasing commercial property. The old custom of having owners make changes for tenants has given way to the practice of renting the premises "as is" and letting the tenant make improvements and betterments at his own expense. The primary objective is to prevent double payment of any claim involving improvements and betterments and under any continuing interest.

The rule states that for a lessee only insurance may be written to cover on the insured's interest in improvements and betterments under either a separate item or a part of an item covering contents by providing coverage in one amount on "contents and the insured's interest in improvements and betterments."

In addition to the lessee's interest, the building owner also has an insurable interest in the physical value of such improvements. Improvements and betterments, being a part of the building, covered by insurance applying to the building and the actual cash value of improvements and betterments should therefore be included at arriving at the actual cash value of the building.

Insurance shall not be written in the name of building owner and lessee jointly to cover improvements and betterments, the rule states. When coverage is desired in the name of the building owner and lessee jointly, in lieu of improvements and betterments, the insurance may be written only as building insurance.

When the insured is a lessee, liability is limited as follows:

For improvements and betterments which would have required restoration

and replacement during the unexpired term of the lease, had no loss occurred, liability is limited to actual cash value. For improvements and betterments which would not have required restoration or replacement during the unexpired term of the lease, had no loss occurred, liability is limited to—(a) if repaired or replaced at the expense of the insured lessee within a reasonable time after such loss, the amount actually and necessarily expended, but not exceeding the replacement cost (without deduction for depreciation) of improvements and betterments identical with the damaged or destroyed improvements and betterments, on the same premises and intended for the same occupancy and use but without allowance for any increased cost of repair or replacement occasioned by enforcement of any state or municipal law or ordinance regulating construction or repair of buildings, or (b) if not repaired or replaced within a reasonable time after such loss, that proportion of the original cost of the damaged or destroyed improvements and betterments which the unexpired term of the lease at the time of the loss bears to the unexpired term of the lease when such improvements and betterments were made.

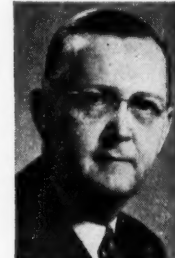
For improvements and betterments which are repaired or replaced at the expense of the lesser, there is no liability.

Ocasek Heads Chicago Buckeyes

About 60 attended the annual dinner Tuesday of Buckeye Club of Chicago that was distinguished by the presence of Insurance Superintendent Walter A. Robinson of Ohio. This is a group of Chicago insurance men that formerly worked in Ohio. Mr. Robinson spoke briefly about the progress that has been made in the way of pro-



W. A. Robinson



H. P. Winter

fessionalization of the insurance agency business and he expressed the belief that there is going to be constant improvement in that direction. He spoke of the auto rate increases that had just gone into effect in Ohio and said that heroic measures are needed to curb the auto accident trend. Columbus is now the worst spot in the state, he said.

T. J. Ocasek of Rollins, Burdick, Hunter agency, was elected president to succeed Herman Winter of America Fore; James Davidson of Factory Insurance Assn. and E. S. Purce II of Hartford Fire are vice-presidents and Dale Stentz of Western Adjustment is secretary.

Mr. Robinson was accompanied to Chicago by Arthur M. O'Connell, Cincinnati, state national director of Ohio Assn. of Insurance Agents, and Joe Schweer, secretary of Cincinnati Fire Underwriters Assn. There were a number of other full time Ohioans present including Robert Leedy, president of Ohio Fire Underwriters Assn.

Home Promotes 13

Announcement of the promotion of 13 executives of Home was made last week.



Edwin H. Ely

Mr. Ely joined Home in 1920 as staff adjuster and recently became state agent. He was appointed general adjuster in 1943, assistant secretary in 1947, and secretary in 1950.

Mr. Attridge started with the company in 1937. He was made manager of the marine department in 1949, assistant secretary in 1951, and secretary in 1952.

Mr. Typermass, who was New York deputy superintendent from 1945 to



Carl F. Typermass



Roy R. B. Attridge

1949, went with Home in 1950 as general manager of the Metropolitan department. In 1951 he was made assistant controller of Home Indemnity, and last year was elected assistant secretary of Home.

Lawrence T. Diring, assistant secretary at Denver; I. B. Somerville, Jr., assistant secretary of the service department, and Robert L. Maxwell, resident secretary of Chicago, were elected secretaries.

Mr. Diring began his career in 1930 as an examiner at St. Louis. He subsequently became special agent, state agent and Montana manager. In 1947 he was transferred to the head office and three years later was made assistant manager of the automobile department. He became manager in 1951, and in 1952 was elected assistant secretary and transferred to Denver in charge of Mountain States operation under the supervision of George Stroub, vice-president and secretary at San Francisco.

Mr. Somerville joined the service department in 1933 and was made special agent in 1935. He was appointed assistant manager of the service department in 1948, and 1952 became assistant secretary.

Newly elected assistant secretaries are Norman Frost, metropolitan department; Bruce Beardsley, Portland, Ore., who will be transferred to the head office; Stephen Chamberlain of the marine department; Hunter Y. Van Leer; Newton Padgett of New Orleans, and William Penn, marine department.

Mr. Frost, who has been state agent and agency supervisor in the suburban field, joined the company in 1938. He subsequently became manager of the suburban division, and in 1949 was made manager of the metropolitan department.

Mr. Beardsley, a graduate of Oregon State College, started with Home in

1935. He was made special agent at Portland Ore. in 1939, state agent in 1946, and manager there in 1949.

Mr. Chamberlain started with the head office in 1946, later that year was appointed marine special agent at Boston. In 1947 he was made marine supervisor, and in 1951 became marine manager at Boston. He transferred to the home office as marine manager in 1952.

Mr. Van Leer, who graduated from Virginia Polytechnic Institute, became a special agent at Richmond in 1946. He was appointed state agent in 1950 and two years later, was transferred to the home office.

Mr. Padgett started as a trainee in Texas in 1935, became marine special agent there in 1937, and two years later was transferred to New Orleans as marine supervisor. He was made New Orleans marine manager in 1945. He is a graduate of Princeton.

Mr. Penn joined Home in 1928, St. Louis, and three years later was transferred to the home office as underwriter of special lines. He became assistant manager of the marine department in 1937 and assistant manager of the all risk department in 1945. In 1946 he was made manager of the inland marine and all risk department.

Cleveland R. Willcoxon, manager at Atlanta, has been made resident secretary there. He graduated from University of the South, joining Home in 1933 as special agent, subsequently becoming state agent and manager of operations at Atlanta.

American's Pacific Coast Unit Is In New Quarters

The Pacific coast department of American group has been moved from 256 Montgomery street, San Francisco, to new quarters in suburban Menlo Park, at 333 Middlefield Road. A metropolitan office will be maintained at 369 Pine street to service brokers in the San Francisco area.

The new building, a functional and modern one-story and mezzanine office building embracing approximately 30,000 square feet, has been under construction since last spring. On the ground floor will be the administrative, underwriting, loss and accounting units. The mezzanine will have rest rooms, a lunch room, a hall and will lead to a sundeck. The office is situated on a 2½ acre plot.

William B. Miller, vice-president, is in charge of the Pacific department, with J. Walter Byrne, C. B. Forrester and C. A. McMillan as assistant managers.

Richardson, Pa. Fire, Retires

E. J. Richardson has retired as special agent at Baltimore for Pennsylvania Fire and is succeeded by Paul J. Mayer. Mr. Mayer has been with the North British group for 20 years. In his new capacity he will cover Maryland, Delaware and the District of Columbia, assisted by Special Agent John M. Cannon.

McKain to Head Office

Fire Association has promoted Robert S. McKain, state agent at Harrisburg for central Pennsylvania, to fire underwriting superintendent in the head office. State Agent John R. Phillips assumes Mr. McKain's post in the field, assisted by Special Agent Cornelius J. McNutt. Mr. McKain has been with Fire Association ever since he entered the insurance business.

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UNITED STATES AIRCRAFT INSURANCE GROUP
(EST. JULY 1, 1928)

which will then be composed of the following companies:

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Aetna Casualty & Surety Company
Aetna Insurance Company
Agricultural Insurance Company
American Employers' Insurance Company
American Surety Company of New York
Automobile Insurance Company
Boston Insurance Company
Canadian Fire Insurance Association
Century Indemnity Company
Employers' Fire Insurance Company
Employers' Liability Assurance Corporation, Ltd.
Fire Association of Philadelphia
Hartford Accident & Indemnity Company
Hartford Fire Insurance Company
Maryland Casualty Company
Massachusetts Bonding & Insurance Co.
National Union Fire Insurance Company

New Amsterdam Casualty Company
New Hampshire Fire Insurance Company
North River Insurance Company
Pacific Fire Insurance Company
Phoenix Insurance Company
Provident Washington Insurance Co.
St. Paul Fire & Marine Insurance Co.
Springfield Fire & Marine Insurance Co.
Standard Accident Insurance Co.
Travelers Fire Insurance Company
Travelers Indemnity Company
Travelers Insurance Company
United States Casualty Company
United States Fidelity & Guaranty Co.
United States Fire Insurance Company
Worcester Fire Insurance Company

ASSOCIATE COMPANIES

Atlantic Fire Insurance Company
Bankers & Shippers Insurance Co. of N. Y.
Birmingham Fire Insurance Company of Pennsylvania
Central States Fire Insurance Company
Chenue Oak Fire Insurance Company
Citizens Insurance Company of New Jersey
Connecticut Fire Insurance Company
Empire State Insurance Company
Equitable Fire & Marine Insurance Co.
Granite State Fire Insurance Company
Jersey Insurance Co. of N. Y.
Mercury Insurance Company

Michigan Fire & Marine Insurance Co.
Managopolis Fire & Marine Insurance Co.
New England Insurance Company
New York Underwriters Insurance Co.
Northwestern Fire & Marine Insurance Co.
Old Colony Insurance Company
Reliance Insurance Co. of Philadelphia
Southern Fire Insurance Co.
Standard Fire Insurance Company
Standard Insurance Co. of New York
Twins City Fire Insurance Company
World Fire & Marine Insurance Company



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Service Office — 21 W. 10 Street, Kansas City 6, Missouri

PACIFIC DEPARTMENT — 724 S. SPRING STREET, LOS ANGELES 14, CALIFORNIA
Service Office — 244 California Street, San Francisco 11, Calif.

EDITORIAL COMMENT

Management Principles Get a Boost

Those in the insurance business who are interested in the principles and practices of management will be impressed by a story of how the Eisenhower cabinet was selected. With one or two exceptions, there has been general approbation of Eisenhower appointments and particularly of how promptly they were made.

Before the nomination, so the story goes, the Eisenhower forces decided to retain a management consultant firm to make a job specification study of key

cabinet posts. This was done and the consultant firm brought in a list of men available for each post in a one, two, three order of fitness, capacity and general qualifications for doing the jobs the positions call for. Again with two or three exceptions, the selections of men for the top posts came from these lists, apparently in most cases from the top three names suggested. In at least one instance, there was only one man recommended, and he was named.

Essential Element in Any Achievement

A piece of work gets done because someone is interested enough in getting it done to do it, or in seeing that it gets done. This element of interest is vital.

When a man sets out to accomplish something, he can read a book, he can ask for advice, he can secure guidance in several different ways. But in the end, in addition to being able to see what it is that must be done, he must have a will to do it and not rest until

it gets done. There is that kind of interest back of every well done job.

Thus to the clerical, sales, underwriting or management process there must be added the most vital element of all—character. Methods and planning are helpful, they can increase effectiveness very considerably. But it takes the force of an insistent interest, a will that is part of the character of some one person or persons, to bring about the achievement.

PERSONAL SIDE OF THE BUSINESS

The two sons of **O. B. Brown** of Chicago, who is second vice-president of Firemen's Ins. Co., are having interesting parallel careers in the life insurance business. Each of these young men formerly was in the property insurance business. **Budd Brown** was with Marine Office of America at Indianapolis and **Robert B. Brown** was in the field with Hartford Accident. Each graduated at De Pauw University and each is Phi Beta Kappa. Budd Brown was a fraternity brother of John Burkhart, vice-president of College Life of Indianapolis, and Mr. Burkhart induced him to go with that organization. Then Budd Brown got his brother to make the move also. Robert B. Brown is stationed at Oklahoma University and has qualified for the Million Dollar Round Table three consecutive years. Budd Brown is at University of Missouri. His work was interrupted by a period of service with the marines. His sales approach the million dollar mark also. College Life sells insurance only to college seniors.

William Culliton of Culliton, McDonald & Sargent, Seattle, has been elected Republican state committee chairman. He was head of the Republican state finance committee during

the preselection campaign.

John R. Lange, insurance commissioner of Wisconsin, has been in Jackson hospital at Madison undergoing a checkup.

Theodore M. Dunla, prominent independent adjuster of Chicago, again was reelected a vice-president of North American Yacht Racing Union at the annual meeting at New York Yacht Club.

R. B. DeVore, Cincinnati manager of Hartford Accident, has been elected president of the newly organized Hyde Park-Mt. Lookout Kiwanis Club. He has been very active in community affairs in that part of Cincinnati, where he lives, and is a past president of the Mt. Lookout Civic Club.

A. M. O'Connell of Thomas E. Wood, Inc., and **T. T. Bryant**, Walter P. Dolle & Co., Cincinnati, were participants in a radio broadcast of the formal opening of an exhibit of fire fighting equipment there. The exhibit is sponsored jointly by six local groups, including Cincinnati Fire Underwriters Assn. Mr. O'Connell is president of the Cincinnati board and Mr. Bryant heads the fire safety committee of the Cin-

cinnati chamber of commerce, one of the co-sponsoring organizations.

H. H. Gamber, state agent of North British at Columbus, O., is recuperating after undergoing an operation last week.

Eugene A. Toale, educational director of National Assn. of Insurance Agents, New York City, is the proud father of a 9-pound baby boy, James Eugene. This is the first boy and third child for the Toales.

Col. Perrin C. Cothran, formerly vice-president of Phoenix of Hartford, has been elected a member of the common council at Hartford. One of the Hartford papers commented editorially that the city council did a good day's work when it elected Col. Cothran. He is an old hand at municipal budget making with several years service on the old finance board. He has had much experience in large financial affairs as a high official in the Phoenix Fire. His retirement from insurance duties leaves him free to give time and thought to public service. Hartford is much in his debt.

T. E. Braniff of Dallas addressed the Brotherhood Week Banquet of the annual meeting of the National Conference of Christians and Jews at Wichita. He is national co-chairman of the organization.

The referee in the Pasadena Rose Bowl game was an insurance agent, he being **John L. Sprenger** of Auburn, Wash.

DEATHS

D. Stuart Walker, 47, general agent at Philadelphia for Mutual Benefit H. & A., United Benefit Life and United Benefit Fire, died there. His agency was one of the largest producers of life and A. & H. business for the companies.



D. Stuart Walker

Mr. Walker joined the group at Omaha in 1928 in the claim and underwriting department. He was assistant manager at Detroit before going to Pennsylvania in 1932 when United Benefit Life was licensed there. He added A. & H. in 1937. He started with an annual production of about 1,500 A. & H. policies and \$435,000 in life insurance, and by 1951 he had a volume of \$19,900,000, and 64,500 A. & H. applications.

Mr. Walker at one time served as vice-president of International Assn. of A. & H. Underwriters, but his health did not permit him to take over the more extensive duties of the presidency. In 1951, he was named to the spe-

cial committee on A. & H. that was set up by National Assn. of Life Underwriters.

ROMAINE L. MAC ARTHUR, 47, manager of the judicial bonding department of Standard Accident, died at Detroit after being injured in a fall. He joined Standard Accident in 1924, was made superintendent of judicial and miscellaneous bonding divisions in 1944 and manager of the bonding judicial department in 1945.

MRS. NETTIE S. JAMESON, wife of Max Jameson, manager of Excise Bond Underwriters, New York City, died at the home in New Rochelle, N. Y. She was 66.

CARL SMITH, retired Kansas state agent of Royal Exchange, who had moved to Omaha during the year, died in Veterans Hospital there following a brief illness. He was a former MLG of the Kansas Blue Goose and active in all field organizations.

JOSEPH B. CRALLE, II, director of the survey department of Davenport Insurance Corp. has been presented the distinguished service award of the Richmond Junior Chamber of Commerce.

T. D. GARDNER, senior partner of the Fayette Realty Co., Connellsville, Pa., who died the other day, would have been 98 years of age on March 6. He had been in the office just two days prior to his death.

Sir EUSTACE PULBROOK, 71, nine times chairman of London Lloyds, died at London. He first became connected with Lloyds in 1899. He was a director of Matthews Wrightson Pulbrook.

MERTON L. BROWN, 70, who was insurance commissioner of Massachusetts 1928 to 1935, died at Malden, Mass. He was city solicitor there when appointed to the insurance post. He was a director of Boston Mutual Life.

FRANK L. HOYLE, local agent of Shelby, N. C., died at the age of 80 from injuries suffered in an automobile accident. He had been in the insurance business since 1918. He was postmaster from 1935 to 1940. He was associated in the agency with his brother, George A. Hoyle.

CARL J. VESY, who had been with the Conrad C. Klee general agency of Travelers at Binghamton, N. Y., for 30 years, died in a hospital at Asbury Park, N. J., after a long illness. His age was 61. He was with Travelers in Nebraska 10 years before that.

EILEEN STRASEN, daughter of Gerry A. Strasen, state agent of American in Wisconsin, died at age 32. She had multiple sclerosis for 10 years.

ALVIN W. FOX, 77, veteran local agent at Oshkosh, Wis., died after an illness of a week. He started in the business in 1889 and became a partner in the Fox & MacNichol agency in 1910, later forming his own agency.

Dorchester Names Wyman

Arthur P. Wyman has been elected assistant secretary of Dorchester Mutual Fire. He has been with the company for some 15 years as a field man, recently as special agent for eastern Massachusetts, Rhode Island and Connecticut, which field he will continue to serve.

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Louis H. Martin, Vice-Pres. & Secretary.
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PHILADELPHIA 9, PA.—123 S. Broad Street, Room 1127, Tel. Pennypacker 5-3706. E. H. Fredrikson, Resident Manager.

PITTSBURGH 22, PA.—503 Columbia Bldg., Tel. Court 1-2494. Jack Verde Stroup, Resident Manager.

SAN FRANCISCO 4, CAL.—507 Flatiron Bldg., Tel. Exbrook 2-3054. F. W. Bland, Pacific Coast Manager.

Salute W. L. Nolen



W. L. Nolen, U. S. manager of North British & Mercantile, was tendered a luncheon on his 25th N. B. & M. anniversary that was attended by the executive staff and home office department heads. Chief host and master of ceremonies was John L. Magenheimer, assistant U. S. manager. He was presented with an inscribed sterling silver platter by Secretary H. V. Tisdale, who is shown at the left in the picture, on behalf of the staff and associates. General Counsel E. McLoughlin presented him with an illuminated scroll signed by home office executives and members of the staff and branch office managers. Also speaking in appreciation of Mr. Nolen were R. P. Stockham, assistant U. S. manager and M. M. Pease, marine manager. On his return to the office he was welcomed into the "Norbit Guards" and presented with the inscribed wrist watch by President W. R. Haviland.

Luncheon for New Illinois Insurance Director Canceled

Robert E. Barrett, newly appointed insurance director of Illinois, finds it will be impossible for him to keep his engagement to appear at a meeting of the insurance membership group of Union League Club of Chicago Jan. 26, and hence that luncheon has been canceled. The plan is to arrange for such an event as soon as Mr. Barrett is able to commit himself for a date and this will be a luncheon jointly saluting him and J. Thor Wanless, who has been appointed assistant insurance director.

Many are Mentioned for Mass. Commissioner Post

Among the prospects being mentioned for insurance commissioner of Massachusetts, a post that will be vacated in April by Dennis E. Sullivan, is W. Douglas Bell, who is said to have the support of Massachusetts life insurers, and who is assistant counsel of Paul Revere Life and Massachusetts Protective. Another is E. M. Bowker, an agent and broker of Brookline, who is a member of the legislature.

Edmund S. Cogswell, first deputy in the insurance department, who is an actuary and is regarded favorably by the business, has been suggested. He reaches mandatory retirement age of 70 next July.

Henry M. Duggan, Newburyport attorney, is former house chairman of the insurance committee. He is in the legislature.

Of course the name of C. F. J. Harrington, former commissioner and now executive vice-president of National Assn. of Casualty & Surety Agents, comes up frequently. He is popular

among producers of the state. Joseph A. Humphreys, who has been talked about, is 5th deputy insurance commissioner, with a good record in the department. E. S. Oppenheimer, former state senator, who was an agent in Springfield for a time but who is now in another business in Boston, and H. A. Reardon, Boston insurance broker with an agency at Hudson, are on the talked-of list. Mr. Reardon was president of Insurance Brokers Assn. of Massachusetts three terms.

Tax Story Is Corrected

In reporting last week on the undertaking that has been launched by Allstate to bring about a change in the tax law so that all types of property insurers will be on an equal footing a mistake was made in stating the present basis of taxation of mutual companies. There is presently an optional tax base for these insurers, and they must pay on whichever produces the higher rate. One option is 1% of premium income and investment income combined, the other base is the regular corporate rate of taxation on investment income.

Life Saving Unit Elects

Life Saving Benevolent Assn. of New York at its 104th annual meeting re-elected William D. Winter, chairman of the executive committee of Atlantic companies, president. Other officers, all with Atlantic group, are J. Arthur Bogardus, vice-president; Percy G. Craig (retired vice-president of Atlantic companies), treasurer; Franklin B. Tuttle, secretary, and Norman Howe, Jr., assistant secretary. The association was organized in 1849 to help save lives on ships in distress off American coasts. Today the organization is for the purpose of recognizing and rewarding courage displayed in the rescue of human life from drowning.

Conn. Mariners Hear Wayne

Harold Wayne, general manager of I.M.U.A. spoke at a meeting of Mariners Club of Connecticut at Hartford. He answered questions on various subjects connected with his I.M.U.A. and I.M.I.B. activities and inland marine in general.

Walter L. Morgan, supervisor of fire division of the Connecticut department, attended.

George W. Carter, Michigan Agency Leader, Dies at 67

(CONTINUED ON PAGE 13)

brothers.

Mr. Carter at an early stage lent his influence to agency organization activities and became one of the principal figures in the Michigan agents association and also in N.A.I.A., although he never consented to go up the ladder to the top positions. His participation in these affairs was significant, because especially in the earlier years, many of the agents who were big time operators shunned agency association identification. Mr. Carter took over from Earl Fiske of Green Bay, Wis., the leadership of what became known as the midwestern group of agency leaders that held annual conferences with Western Actuarial Bureau and individual insurance company executives in the west. Mr. Carter had a great array of objectives in connection with these meetings and many of these he was able to see accomplished. Conducting these sessions, or for that matter, any session, he had an abundance of sentiment and his affection for the insurance business and the leaders in it would overcome him at times and he would burst into almost lyrical passages. He carried all before him by the force of his energy, enthusiasm and imagination. One of his sentiments was it was no harder to work hard on big things than on little things.

Mr. Carter was leader in many civic activities in Detroit. He was noted for his generosity. He took a leading part in Community Chest drives, Traffic Safety Assn. and Boys Club of Detroit. He was a foremost club man. He was a member of the Detroit Aviation Commission, chairman of Detroit Industrial Safety Council, a director of Traffic Safety Assn., a member of the Greater Detroit advisory board of Salvation Army. He was a former president of Boys Club of Detroit.

Besides Mrs. Carter there is a daughter, Mrs. Constance Carter Douglas of New York. A sister Mrs. Mary McCulloh has been employed at Chicago in the western department of Springfield F&M. for 20 years. An older brother Charles Carter, who died about five years ago, was with D.I.A. and before that was in the Oklahoma field for Hanover.

W. O. Hildebrand, manager of Michigan Assn. of Insurance Agents, in responding to a request for his estimate of Mr. Carter's contribution, writes:

"George Carter visualized the importance and the necessity of maintaining a full time and extremely active legislative, administrative aid, educational and service office at the seat of government in his state. This is indicated in our records dating back to 1918. To ponder that point for just one moment is to realize how many years ahead of his time he actually was in his thinking and planning. Knowing that nothing in the world can take the place of persistence and determination, his slogan 'press on' which has solved and always will solve the problems of the human race, he was the dominating factor and became the sustaining fund treasurer in the establishment of this association office where so much can be done in so many ways for the business.

"Although at times we differed on issues at hand, he was always a guiding light and a tremendous help, and never lost the firm spirit of the integrity of the business and service to all people whom we serve. His tremendous capacity for thought and work and the extraordinary volume of business that resulted speak supremely in themselves but are overshadowed by the aforementioned facts. That, to my way of thinking, is what George Carter meant to the agents and the industry in Michigan and nationally.

"A true friend indeed and a wise counsellor who always had time and a desire to be helpful to anyone."

Glennon to Life Company

Joseph R. Glennon, chief deputy of the Illinois department, has joined Central Standard Life as company auditor, effective Feb. 1.

Before going with the Illinois department in 1951, Mr. Glennon was chief examiner for the Iowa department.

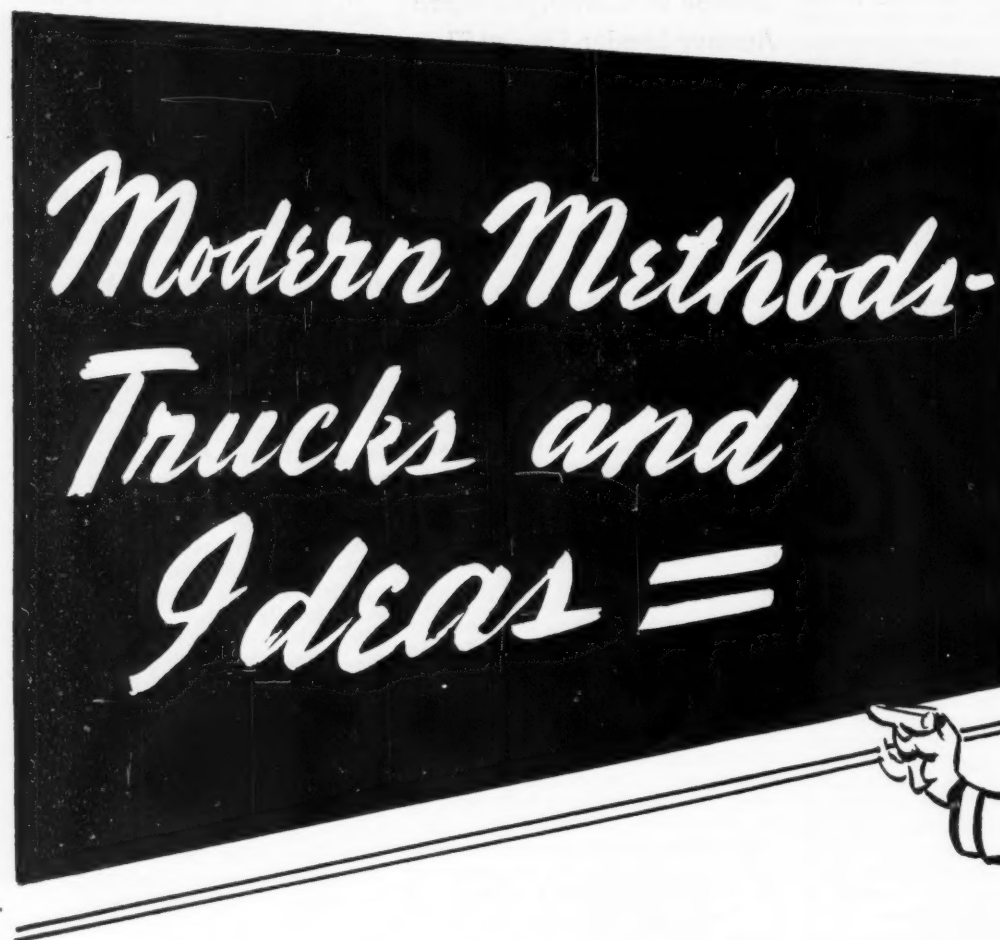
New Warfield-Dorsey Officers

Four new officers have been elected by the Warfield-Dorsey Co. agency of Baltimore. Frank M. Fossett is now vice-president; Dorothy M. Wohrna is assistant treasurer; Alexander K. Barton, assistant secretary, and Albert K. Ward, assistant secretary.

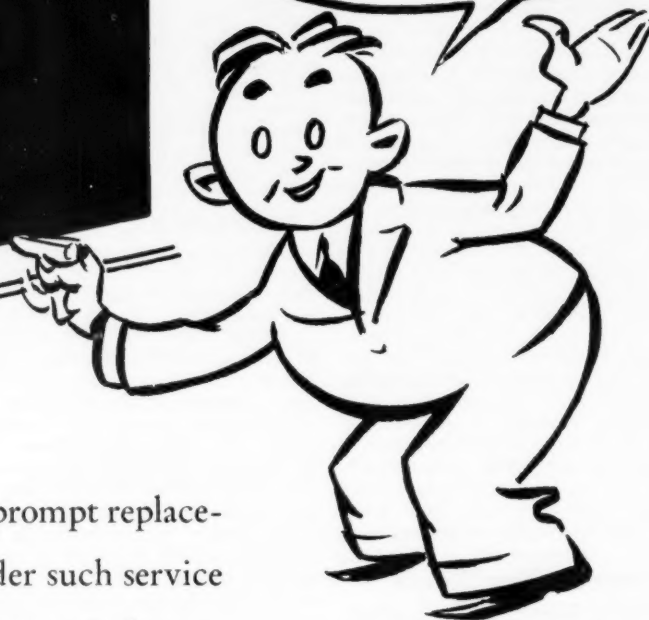


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California Hearing on World's "Ads" Is Enjoined

Order Directs Subpoenaing of Advertising Material of 27 Other Insurers

World of Omaha has obtained a court order restraining Commissioner Maloney of California from proceeding with his hearing that was scheduled for Tuesday on department charges of false and misleading "advertising" of World in California.

The order directs Mr. Maloney to subpoena the advertising circulars, pamphlets and booklets of 27 other A. & H. insurers doing business in California, or to show cause on Jan. 22 why he should not do so.

World contends that its advertising differed in no way from an industry-wide pattern, and that it should not be singled out.

Mr. Maloney stated that the company has not been "singled out" and that its case was taken up first in his campaign because "we have the biggest pile of misleading advertising on them."

"We have been trying for a long time," the commissioner said, "to clean up the advertising in the A. & H. field, and have been doing all we can with the limited staff we have available."

Mr. Maloney has filed similar charges against United of Chicago, and he has said that other companies are under investigation.

The department's advertising campaign grows out of the claim that A. & H. insurers advertise only their benefits, and not the exclusions and restrictions.

Herbert Leland, representing World, said the company is ready to change its advertising to meet department demands, but added:

"Naturally, advertising is made as attractive as possible. We appreciate, however, that there is an argument for the full presentation of exclusions and restrictions, and we are willing to go along."

He said the company obtained its restraining order to precipitate acceptance by insurers of such changes if the charges against World are not retracted.

Mr. Maloney commented that introduction of other companies' advertising is not really necessary, since the industry is "cleaning up" anyway as a result of his charges against World and United.

No date has been set as yet for a hearing on the other complaint of similar character made by the California department, that against United of Chicago. H. & A. Underwriters Conference had asked for an opportunity for informal discussion of the issues involved with department officials but was told that that was impossible until after the formal hearings are held.

Efforts have been made to reach some sort of settlement on these cases without formal hearings, but without

Oklahoma Auto Rate Increase Is Nullified; Dissatisfaction With Rating Law Is Expressed

The Oklahoma State Insurance Board has now put the kibosh on the new BI and PDL rates that were made effective by National Bureau of Casualty Underwriters Dec. 15. These rates are outlawed effective Feb. 9. That means that the present higher rates are to be charged until that time. It is now up to the bureau to file revised rates and the board recommends that these be made applicable to all policies written on and after Dec. 15. That would, of course, involve paying a lot of rebates.

The board issued its ruling after hearings were held at the instance of Robert O. Cunningham, the Oklahoma legislator who is cultivating a dragon-killer reputation by shagging the insurance companies. The board justified its action in nullifying the rate increase on the ground that the scale was based mainly on experience for the first six months of 1952, the theory being that this will set the pattern for 1953. The board argued that six months' experience is not reliable and then the board went on to say that the average paid BI claim costs used in determining the projection factor in the rating formula included losses paid under excess limits and that this causes distortion and produces misleading results so far as basic limits coverage is considerable mumbo jumbo language on this point in the order.

The board in its order went on to recommend that in the future rate revisions be filed about 45 days ahead of the desired effective dates to give the board an opportunity to review and analyze the filing and hold a hearing if necessary before the rates become effective.

Nullification of this rate filing is not the first instance of this kind. The board nullified a filing of O. L. & T. rates last summer. That filing contained a factor of 5% for profit, to which the board objected, and for that reason this item in the auto filing was 2.5%, so that it was not an issue in the auto rate change.

Presumably the bureau will refile auto rates that meet the board's demands. If this is the case, only those policies written between Dec. 15 and an early date selected for the revision to go into effect, would be affected. The regular retroactive provision in these filings would make the revised revision rates effective as of Dec. 15. This procedure at least makes the adjustment of premiums on policies written between the two dates practical if it does not ease the aggravation of the extra work.

The Oklahoma law is said to be more loosely drawn than the all industry bill and no other state has one quite like it. Apparently the aim was to provide fewer powers than the all industry laws give other insurance depart-

ments and tie somewhat more the hands of the commissioner in connection with approval of rate making. However, in practice there is more trouble with this than with more firmly drawn legislation. In other states, clearance tantamount to approval is generally secured in advance from the departments.

success. It is reported that the companies affected were willing to accept a brief suspension of license, say for five days, but the department would not agree to that unless the companies would file what amounts to a plea of guilty to the charges against them, which they were unwilling to do.

ments and tie somewhat more the hands of the commissioner in connection with approval of rate making. However, in practice there is more trouble with this than with more firmly drawn legislation. In other states, clearance tantamount to approval is generally secured in advance from the departments.

In Oklahoma, if companies are unable to secure what they regard as necessary in view of loss experience the long time effect will be to shrink the market.

Edgett Is Elected

Department Boosts Role of Local Agents

Assn. of Local Agents of New York City was urged to form a committee to study the problems facing the casualty business by Adelbert G. Straub, deputy superintendent of the New York department. Speaking at the association's annual luncheon, Mr. Straub said that if agents study the present problems facing the business they then could assume leadership in solving these problems. His remarks were enthusiastically received.

Russell Edgett was elected president. Vice-president is Albert Mezey, secretary-treasurer Alexander J. Gosz and assistant secretary-treasurer Robert C. Mehorter. The executive committee members are Stephen Amann, Frank V. Carlough, Jr., Alan Eifert, John D. Hickey, Alfred I. Jaffe, David S. McFalls, Alfred J. Ungerland, Lloyd Vosseller, John C. Weghorn and Edward I. White. The retiring president, Mr. McFalls, received a suitcase from association members.

Mr. Straub said that the improving conditions in the casualty insurance business indicate that fire companies will now go into that field in greater numbers and to a greater extent and that casualty companies will remove present market restrictions. He predicted new capital will be attracted to the casualty companies by improved loss ratios. It was his opinion that in 18 months there may even be a commission war in casualty.

Recently a security analyst advised his clients to buy casualty stocks. Mr. Straub said this was not a case of buying stocks because of bad news. Rather, the figures for the last year indicate that casualty companies should be in the black. At the end of the first quarter of 1952, 60 New York companies reported underwriting losses. At the end of the third quarter, these companies reported a profit.

While many companies have qualified for multiple line, few have entered the opposite field. But with improving conditions, Mr. Straub indicated that this will change.

Reflecting his interest in the future of the New York City local agents, he said that when this change occurs, one problem will be to prevent fire com-

(CONTINUED ON PAGE 33)

Outlines Bill Aimed at Curbing Group A. & H. Commissions

Deputy Murphy of N. Y. Tells Seminar of Dangers in Unbridled Competition

NEW YORK—The bill introduced this week to tighten the section of the New York law dealing with commissions on group A. & H. was reviewed by Deputy Superintendent Murphy of the New York department at the educational seminar of the Bureau of A. & H. Underwriters held here Tuesday. Mr. Murphy has supervision over the department's policy bureau in Albany and several bureaus at the New York City office.

Pointing out that the law presently states that no company shall pay in excess of filed commissions or allowances, but does not contain any safeguards against the filing of large and ungraded commissions or allowances for competitive purposes only, Mr. Murphy said that Superintendent Bohlinger had recommended that the law be amended so as to require that insurers file rates of commissions and allowances, including service fees. The superintendent, Mr. Murphy said, has also proposed that the law be extended to all agents and brokers.

The New York insurance law now requires companies to file with the superintendent maximum commission, compensation or other allowances to soliciting agents. This filing requirement, Mr. Murphy explained, "is an adoption of the life insurance approach to expense limitation and has for its primary purpose, the prohibition of commission wars, especially on target risks." The department, he added, believes that the provision warrants clarification to fulfillment of the recognized purpose of the law.

Discussing the philosophy of the department in the regulation of group A. & H., Deputy Superintendent Murphy stated that the New York law and the department administration "have as their primary purpose the promotion and safeguarding of the public welfare."

"We believe," he said, "that sound progress results from free and reasonable competition. On the other hand, unbridled competition can result in the evils condemned by our law and forbidden by our practices. It follows that we shall continue to encourage fair and reasonable competition and to prevent, so far as we are able, unrestrained and unbridled competitive practices."

He said he believed the department has sufficient power to prevent abuses, but added that "it remains primarily for the group A. & H. insurers to demonstrate by their performance that our present system is sufficient and that the public interest does not require in group A. & H. the degree of rate regulation now found in casualty insurance."

On the question of anti-discrimination and rebating, Mr. Murphy told the

(CONTINUED ON PAGE 35)

New Auto Rates Effective in Ohio

New automobile third party liability rates have become effective in Ohio. For BI and PDL combined increases in class 1 rates range from \$1 to \$12; class 2 from \$1 to \$20; class 3 from \$1 to \$17. In the city of Bridgeport and vicinity there are rate reductions.

For commercial car classes there are rate reductions in Youngstown, Portsmouth and Bridgeport. Elsewhere rates for most commercial cars are increased in amounts ranging from \$1 to \$31.

In Cleveland private passenger car rates are increased \$1. In Cincinnati the rates now come up to within \$1 of Cleveland. On class 1 that is \$44 as against \$34 in the past; class 2-\$73 as against \$55 and class 3-\$63 as against \$48. Toledo also now has the same rates as Cleveland, the increase being \$11 and \$12. The highest rate for private passenger car classification is \$105 for class 2 in Youngstown. This compares with \$101 in the past. The Columbus rate now exceeds Cleveland by \$1 which represents a very sharp increase. Class 1 in Columbus is now \$46 as against \$34, class 2 is \$75 as against \$55 and class 3 is \$65 as compared with \$48.

N. M. LOSS PROBLEM MOUNTS

Albuquerque Self-Insures W.C. With Lloyds Excess

The city commission of Albuquerque has adopted a workmen's compensation insurance plan that was submitted by the Tom Hughes agency. This is a catastrophe excess contract with London Lloyds covering claims up to \$90,000 over a \$15,000 deductible. The premium is \$5,000. This is in conjunction with a self-insurance plan under which \$6,000 monthly is set aside for compensation claims. The alternative was \$120,000 annual premium for full coverage. The bad experience with a loss ratio of more than 200% necessitated such steep rate increases that the city decided to self-insure.

To correct the situation in the workmen's compensation field, attempts have been made to amend the act by employers, labor and insurance interests at the current 60 day session,

through an agreed bill. Numerous conferences on this proposed legislation have been held by the local agents association and others throughout the past year. Other New Mexico municipalities and industries may be tempted to follow the lead of Albuquerque since the cost of workmen's compensation is mounting to an alarming extent.

Public Must Learn Role of A. & H. Neal Tells Claim Men

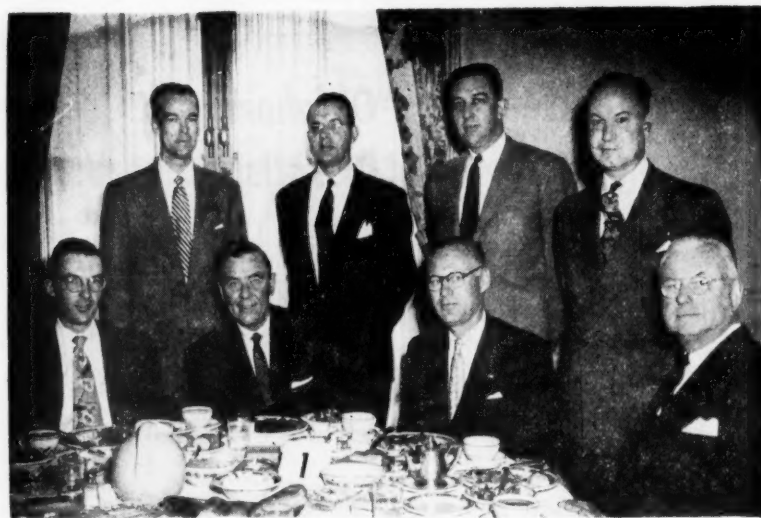
Robert R. Neal, vice-president and counsel of North American Accident and president of H. & A. Underwriters Conference, addressing the January meeting of Chicago Claim Assn., stressed the necessity for a better understanding by the public, and especially by doctors and hospitals, of the role of A. & H. insurance in the economy.

Doctors have developed the practice in many areas of raising their fees when they discover that their patient is insured, he said. Although they will accept the fee schedule in the Blue Shield, they seem to look upon private insurance simply as a means of raising their bills. This discounting of insurance when setting a fee has the effect of raising the overall cost of medical care, he observed. This misconception of insurance he characterized as the most potent problem now facing the business, and one that is getting special attention from Health Insurance Council. The doctors are being urged to practice self-regulation in this line since the alternative would appear to be regulation of fees by the government.

The A. & H. insurers also have to sell the public on the need for their product to the point where it will exclude any demand for government intervention. Federal bureaucracy in A. & H. could be brought about, he said, by a misconception on the part of the people who dislike paying medical bills and have been led to believe that it is cheaper if the government steps in.

Mr. Neal said that he delayed his appearance before the association until after the election so that there would be a more definite indication of the direction in which the business was headed. He asserted that A. & H.

Observe 50th Anniversary of Travelers School



Travelers observed the 50th anniversary of the home office school at a luncheon at Hartford. President J. Doyle DeWitt praised the school as a training ground and said it will continue to receive the same enthusiastic support that it has enjoyed during its first 50 years of operation.

Esmond Ewing, vice-president in charge of the agency departments of the companies, who presided at the luncheon, hailed the many achievements of the school since its founding. He said that the school has grown younger and more vital as it has grown venerable in years.

The luncheon was attended by the faculty of the school, members of the present classes in both the fire-casualty and life divisions and former mem-

bers of the faculty.

Shown in the picture are: First row, left to right, Clayton C. Carpenter, Jr., Gastonia, N. C.; J. Doyle DeWitt, president of Travelers; Edward King, Los Angeles, and vice-president Esmond Ewing in charge of agency departments. Second row, left to right are: Robert B. Bolt, field supervisor, San Francisco; H. Curtis Reed, superintendent training, sales research and promotion division, life agency department, who heads the life, accident and group division of the school; Albert E. Colaw, field supervisor, Kansas City, and Lewis V. Irvine, superintendent of training, sales research and promotion division, fire and casualty, agency departments, who heads that section of the school.

now has the choice of "either to produce or be swallowed."

G. Blair Hiser, United, president of the association, introduced Mr. Neal.

Marquette Casualty to Expand

Marquette Casualty of New Orleans is giving consideration to extending the field of its operations to additional states this year. It is now operating in Louisiana, and Mississippi and is surveying the situation in Alabama, Arkansas, Oklahoma and Texas.

Am. Auto Assails Jumbo

Verdict Trend in New Ads

American Automobile in its campaign against excessive jury awards is running a series of four full-page advertisements the first appearing Jan. 26 in Life magazine. There will be another Feb. 14 in the Saturday Evening Post, third March 9 in Life and the last one March 28 in S. E. P.

These ads are being reproduced in brochure and American Auto has prepared direct mail folders, easel counter cards, window posters, and newspaper mats with which agents may reinforce the impact of this advertising. In each ad that is boldly illustrated there is a common boxed-in text reading "Most claims for damages are legitimate and reasonable and are amicably settled out of court. However, as jurors tend more and more to give excessive awards in cases that do go to court, such valuations are regarded as establishing the going rate for the day to day out of court claims, all of which means increased insurance premium costs to the public."

Niederlitz's Sphere Grows

Great American Indemnity has elected Joseph G. Niederlitz a vice-president and secretary, and Alexander B. Curchin a secretary. Mr. Niederlitz is vice-president and secretary of the Great American Ins. Co. He now assumes executive responsibility for all the accounting and statistical work of the group. Mr. Curchin, who went with Great American Indemnity in 1949, will serve as a member of Mr. Niederlitz's staff, and specialize in the problems peculiar to casualty insurance and suretyship.

The

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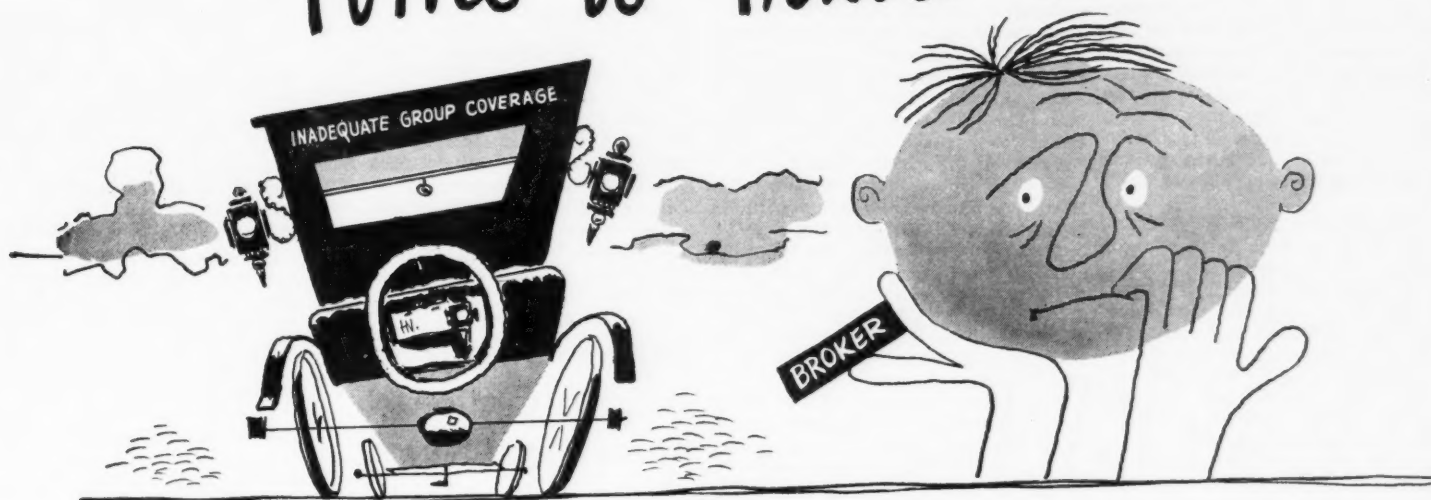
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**Fire; Inland Marine
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**Selling Tools for any
Selling Task**

**GENERAL LIABILITY
GLASS
BURGLARY AND ROBBERY**

Time to Trade In?



If you want to win profits and influence clients, you'd better trade-in "jalopy" group coverage for a smooth streamlined plan. Group plans that are out-of-date in view of increased costs of sickness, accident and hospitalization bring you little but headaches and dissatisfied clients. It's well worth while to make sure you're familiar with Mutual of Omaha's streamlined employee group plans.

YOU WANT STRENGTH

Mutual of Omaha is the world's largest exclusive health and accident company . . . the pace setter in health and accident coverage. It has 43 years of concentrated experience. It has paid more than \$460,000,000 in claims.

YOU WANT SERVICE

Through its Group Field Office organization, Mutual of Omaha puts its know-how and service at your disposal. Field representatives offer you specialized underwriting. They will help you sell and will do the servicing. Investigation will show that Mutual of Omaha is known for fast, efficient, personal claim service through its regional field offices.

BOB CONSIDINE

Famous Newsmen and Columnist

for MUTUAL OF OMAHA on

NBC-TV . . . Every Tuesday Night

NBC-Radio . . . Every Sunday Afternoon

YOU WANT SPECIALIZATION

Mutual of Omaha has the Group Coverages that sell and stay sold, because they are written in light of TODAY'S NEEDS. It writes health and accident, hospital, surgical and associated risks. Because it is specialized, Mutual of Omaha can provide the modern and comprehensive plans you want for your clients . . . plans that live up to the expectations of employer and employee alike.

YOU WANT COMMISSIONS PROTECTED

Mutual of Omaha's Group Division works with and through brokers. Salaried field representatives provide service to the extent that YOU desire. The entire commission is paid to the "Broker of Record." Continuous renewals.



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Two Departures Noted

Am. Mutual Alliance Members No Longer Are Staying Put

Two recent outbreaks of what might be called intramural rate competition among American Mutual Alliance companies are attracting attention throughout the business. First Liberty Mutual departed from the filings of Mutual Insurance Rating Bureau which is the sister organization of American Mutual Alliance, by introducing a merit rating plan in California.

Then the Stevens Point group broke over the traces in their home state of Wisconsin. Some drastic rate reductions for desirable automobile classes were put into effect by Hardware Dealers Mutual Fire. It was noted that this was not done by the parent organization which is Hardware Mutual Casualty. The assumption is that H.M.C. was not in a position to do this because of its commitments as a member of Mutual Insurance Rating Bureau. It was also noted that this kind of a departure could not have been made by a group one of whose units is a member of National Bureau of Casualty Underwriters. There is a rule there that all members of a fleet must follow a single course ratewise.

The Hardware Dealers Mutual Fire new rates are being analyzed in considerable detail. It is found that for a business use, with adult-only risk there is a 25% rate reduction on BI and PDL combined and there is no change in the collision rate. For so-called "family" car used in business, there is a 20% reduction for BI and

PDL and a 25% increase for collision, and for a car used in business with young drivers there is no reduction in the BI and PDL and there is a 60% increase in collision.

To qualify for the "family" rating, the use of a car by juniors is "restricted" or else the car is owned by married persons under 25 that have children.

In the filing of Hardware Dealers, it was noted that there was no definition of what constitutes "restricted" use. In Allstate, which was the pioneer in this sub-dividing of the classifications, "restricted" means less than 25% use of the car by juniors.

For cars not used in business with Hardware Dealers, the rate for adults only is reduced 20% and there is 1/6 reduction for collision. For "family" cars in non-business use there is a reduction of 40% for BI-PDL and 5% off for collision. For unrestricted non-business use there is no reduction for BI-PDL and there is a 60% increase for collision.

Carl Jacobs, president of the Hardware companies of Stevens Point, states that they avoided using a percentage to distinguish "restricted" use of car by driver under 25 because of the rigidity of an exact figure. The intent, he said, is that use of the car by the driver under 25 is controlled by the parent, and the youth is not the principal driver but using the car occasionally with permission of the parent.

Bankers L.&C. Agent Who Invaded Ga. Tried in Wrong Court—New Trial Set

CHATTANOOGA—B. M. Brown, local representative of Bankers Life &

Casualty, arrested Dec. 10 for selling a White Cross policy across the border in Georgia to T. S. Littlefield, Georgia investigator who was disguised as a filling station attendant according to Brown, was dismissed at a hearing at Rossville, Ga., when it developed that the sale occurred in Catoosa county, not Walker county. However a Catoosa county warrant was served on Brown as he left the courtroom. He posted \$500 bail and the hearing was set for Jan. 29.

Brown explained that the state line "is obscure in that section and I did not realize I was in Georgia until the agent put me under arrest." Alex McLennan, Atlanta, attorney for Brown, warned that the state insurance department was laying itself liable for false arrest in serving an unlawful warrant on Brown while he was in Georgia.

Balfour-Guthrie and Union of Canton Form New Insurer

LOS ANGELES—Balfour-Guthrie Ins. Co. of San Francisco, has applied for licensing. It has capital surplus of \$1,050,000, and is owned by Balfour-Guthrie & Co.; Pacific Molasses Co., and Union of Canton. Arol Davidson is president; A. T. Saunders, first vice-president, treasurer and assistant secretary; George C. Fortune, vice-president; Terrance A. Hill, vice-president; Clyde A. Nelson, vice-president; Harry A. Tomlinson, secretary.

Fill Two Pittsburgh Posts

Alfred C. Ireland has been appointed manager and Jay M. Haynes casualty claims manager in the Pittsburgh service office of New England Ins. Co. of the Springfield group.

Mr. Ireland had two years of agency experience at Lancaster, Pa., and has been in loss prevention work and underwriting with casualty companies for four years. He is a graduate of Franklin & Marshall and also attended University of Rochester. Mr. Haynes has had 12 years of claims experience in Pennsylvania.

Self-Insured Disability Payments Not Tax Exempt

Self-Insurers Assn., New York, has called attention to a release by the Treasury Department indicating that effective Jan. 1 it takes the position that payments for disability or sickness made by self-insured employers will be taxed to the employee and the employer will be required to withhold a tax thereon even though payments for a similar purpose made by an insurance company will not be so taxed.

This is so even when such payments are made under a plan which has been filed with the New York Compensation Board as a substitute for the disability benefits required to be paid under New York law.

It is clear, according to the association, that the department intends to hold that payments made direct by an employer are not exempt as are amounts received through A. & H. insurance.

The release of November, 1952, IT 4107, 1952-23-13961, reverses the Treasury Department's three previous rulings that held disability benefit payments non-taxable, those rulings having been made in connection with

the California sickness disability benefits, those in New Jersey, and finally such benefits in New York.

There are indications that if an employer collects the full statutory amounts from his employees, keeps them in a separate fund, and makes disability payments out of the fund, the department may hold that such a system is sufficiently close to insurance to make the payments exempt.

On the theory that the department is not apt to change its ruling, the association suggests that the matter will be brought to the attention of the National Council of State Self-Insurers.

Hartford Accident at New Premium Record

Hartford Accident wrote a new record of \$155,660,669 of premiums in 1952. The business by lines was: accident, \$1,709,339; health, \$187,947; group A. & H., \$515,199; group disability, \$2,563,420; workmen's compensation, \$36,009,389; general liability \$17,965,774; automobile liability, \$51,458,095; auto P.D. and collision, \$25,564,200; miscellaneous P.D. and collision, \$4,332,791; glass, \$1,671,119; burglary, \$4,899,729; fidelity, \$3,860,283; surety, \$4,923,380.

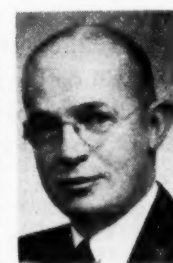
Would Require Approval of Okla. Rate Increases

A bill has been introduced in the Oklahoma house to provide that before insurance rates can be increased in the state they must have approval of the state insurance board. Under the present law, rates may be increased by a new schedule filed with the insurance board, and continue effective until a protest is filed and the increase is disapproved by the board.

H. A. Reinebach of Illinois Inspection Bureau spoke at the January meeting of Springfield Assn. of Insurance Women on "Manual Changes."

Named by Home Ind.

John S. Love, vice-president and secretary of Home Indemnity, whose election to executive vice-president in charge of company operations was announced last week, is also vice-president and secretary of Home. He



John S. Love



M. E. Sprague

started with Home Indemnity in 1930 and was elected vice-president and secretary in 1933.

Mortimer E. Sprague was designated vice-president and assistant to Mr. Love. He is a graduate of the University of Texas and the U. S. Military Academy at West Point. He started with Home in 1930 as a special agent and in 1935 was elected assistant secretary. The following year he became secretary, and in 1939 he was elected vice-president and secretary of Home. In 1945 he was made vice-president and secretary, and in 1945 he was made vice-president and secretary of Home Indemnity.

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Chance of Beating Compulsory in N. Y. Considered Better

Defeat of compulsory auto legislation in New York now is regarded as possible and perhaps likely. A bill has been written by the insurance department which includes compulsory, an unsatisfied judgment fund, and impoundment. This packaging should consolidate the opposition of the business, part of which would swallow UJF but not compulsory and part of which would rather have compulsory than UJF. The bill as written would avoid the horrors of the Massachusetts legislation.

Insurance Brokers Assn. of New York State has come out against compulsory and for driver examination and reexamination, vehicle inspection, stronger and more enforcement of traffic laws and impoundment plus UJF.

Greater New York Insurance Brokers Assn. and Brooklyn Agents Assn. oppose compulsory.

Wolverine Names Copper

Wolverine of Battle Creek has appointed Paul E. Copper, central Indiana field man, as manager at Decatur, Ill.

Mr. Copper has been with Wolverine since 1949. Prior to this, he was with Standard Accident. He served in the navy during the war.

Assisting Mr. Copper as special representative will be Aaron M. Shaver. Mr. Shaver has been building manager at the home offices since 1951. Previously, he was with concerns in California and Illinois and served in the naval reserve from 1943 to 1946.

Locy Heads Mich. Group

C. Stewart Anderson has been elected a director of Johnson & Higgins. He is in the marine hull department of Johnson & Higgins and has been in the marine insurance brokerage business since 1940.

Conference Heads to Meet

National Assn. of Insurance Agents has called a meeting of the five chairmen of the regional conferences at Chicago Jan. 30.

Wade Renamed in Pa.

State Sen. George N. Wade who is general agent at Harrisburg for Ohio National Life, has been reappointed chairman of the Pennsylvania senate insurance committee. Sen. Montgomery F. Crowe of Stroudsburg was re-named as vice-chairman of the committee. He is an insurance agent.

Indianapolis Group Elects

Indianapolis Casualty Underwriters Assn. has elected Earl C. Barnes, Standard Accident, president; Philip A. Hohmann, American States, vice-president; Charles Hamilton, Farm Bureau Mutual, secretary, and Ralph K. Brafford, American-Associated, treasurer.

W. C. Revisions Urged

In his inaugural address to the Maine legislature Governor Cross urged legislation to promote greater industrial safety and to revise the benefit schedule under the workmen's compensation law.

An increase in New Jersey maxi-

mum workmen's compensation benefits in death cases from \$23 to \$30 per week was advocated by Governor Driscoll in his message to the legislature.

Recodification of Massachusetts workmen's compensation laws was recommended by Governor Herter in his inaugural address.

The New Mexico department has approved an emergency 20% flat increase in workmen's compensation rates, effective Jan. 1.

Top Tort Death Settlement

What is said to be the largest amount, \$27,500, ever paid in Connecticut for a tort death as a result of settlement or judgment, has been agreed upon in an automobile case brought in the federal court at New Haven.

Donald B. Rodger of Malverne, N. Y., was riding with several classmates from Colgate University in an automobile driven by Brian D. Pfeiffer of Grand Rapids along Merritt Parkway.

Near Stamford as Pfeiffer attempted to pass another car, his car struck the center curb and catapulted into the opposite lane of traffic where it was hit by another automobile. Two other passengers in the Pfeiffer car were injured, one other killed.

Frank Taylor, Jr., who has been with the Pacific department of Hartford Accident at San Francisco since 1950, has joined Raleigh-Mann, Tacoma local agency.



Today it's only Half a Loaf

YESTERDAY'S dime bought a loaf of bread; today it buys you only half a loaf.

Yesterday's dollars that paid for a house and furniture, linens, silver, today have barely half as much buy in them. And the limits of fire insurance you bought to protect your investment in house and furnishings at yesterday's values are only half-protection today.

Half a loaf, to be sure, is better than none; and so is half enough insurance. But buying less fire insurance than today's values demand is false economy.

With building and furnishing costs soaring, chances are that if you haven't increased your insurance limits apace, a fire would find you tragically under-insured. Why not have your local agent help you determine your requirements—today?



Your local agent is constantly ready to serve you. Consult him as you would your doctor or lawyer. For U. S. F. & G. claim service in emergency, call Western Union by number and ask for Operator 25.

U.S.F. & G.

CASUALTY
FIDELITY-SURETY
FIRE

United States Fidelity & Guaranty Company, Baltimore 3, Md.
Fidelity Insurance Company of Canada, Toronto

CHANGES

New Travelers Managers Named in Three Cities

Melvin R. Jones, who has been manager of Travelers at Washington, D. C., since 1949, has been appointed manager of casualty, fidelity, surety, fire and marine lines at New Orleans, succeeding Harvey C. May, who has been given a leave of absence because of ill health.



Melvin R. Jones

Boyce F. Betzer, at Duluth, succeeds Mr. Jones as manager at Washington and Norman G. Franz, assistant manager at Milwaukee, has been appointed manager at Duluth to succeed Mr. Betzer.

Mr. Jones started with Travelers as an inspector at Richmond in 1923. He



Boyce F. Betzer



Norman G. Franz

was graduated from home office school and served as field supervisor at Richmond and Atlanta, becoming assistant manager at the latter city in 1929. He was transferred to New Orleans in the same capacity in 1936 and was named assistant manager for all lines in 1949, later becoming manager at Washington.

Mr. Betzer started as a field supervisor at Omaha in 1929. He served as assistant manager at Des Moines, Dallas and Omaha and was promoted to

manager at Duluth in 1949. He is an army veteran. Mr. Franz was graduated from the home office school in 1937 and was appointed a field supervisor at Milwaukee, serving later as assistant manager there and at Minneapolis.

Lucille M. Kratz has been appointed office manager at Sioux City and J.D. R. MacDonald at Montreal. Both have been assistant office managers.

McGonagle to Rainier Nat'l

Lee S. McGonagle, formerly assistant claims manager at Seattle for American-Associated, has been appointed manager of the newly established claims department of Rainier National at the home office at Seattle.

Mr. McGonagle, a graduate of Dartmouth, started with Travelers in 1942. He managed its Yakima claim office until 1945, when he joined American-Associated.

Vreeland to Md. Casualty

H. S. Vreeland, supervisor of surety underwriting for American-Associated at Los Angeles, has resigned to join Maryland Casualty there as assistant to Albert H. Brunet, bonding manager. Mr. Vreeland has been with American-Associated more than a decade. He is a past president of Surety Underwriters Assn. of Southern California.

Edlich to Dallas Post

Robert L. Edlich has been transferred from St. Louis to Dallas by American-Associated as supervisor of liability and workmen's compensation underwriting.

After army service he graduated from St. Louis University in 1948 and then joined American-Associated. He has been in the head office liability department.

Dr. Seibert Advanced

Dr. Alfred F. Seibert has been promoted to associate medical director of Travelers. He has been an assistant medical director since 1949 and with Travelers since 1930.

J. E. Matson has been made assistant manager of the bonding department at Detroit of Standard Accident. Robert F. Hall has been made bonding field representative at Grand Rapids.

Washington Agents Drop Ohio-Type Law; Effect Agreement with Auto Men

Representatives of Washington Assn. of Insurance Agents and Washington State Auto Dealers Assn. have agreed in principle on the basis of an agreement for arbitrating disputes arising from the handling of insurance in connection with automobile sales. The agreement, which should be consummated within the next few days, unless unexpected developments are encountered, will result in the agents' association abandoning plans to sponsor an Ohio-type anti-dealer licensing law.

The general plan is to adopt the provisions of the Washington insurance code and the federal trade commission rules relating to retail installment sale and financing of motor vehicles promulgated May 8, 1951, as the basis for arbitrating disputes.

Complaints, which would have to be made in affidavit form by the aggrieved customer, would be filed with a representative of each association. If the two representatives cannot agree on a decision, the affidavit and facts surrounding the complaint would then be submitted to the insurance commissioner and his decision would be final.

Plans Legislation To Promote Magnuson Report

WASHINGTON—Senator Lehman of New York plans to introduce legislation this year to carry out principal recommendations of the President's commission on health needs of the nation (the Magnuson group).

He said the commission's report set forth a sound program for medical and hospital care for everybody. He regards as specially significant the recommendation for government grants to help development of voluntary health plans in the states.

Surety S. F. Forum Topic

"Adventures in Suretyship" is the subject for the Jan. 29 meeting of Insurance Forum of San Francisco. Everett W. Stark will act as chairman. The history of bonding, the methods, and today's application will be discussed by Henry G. Sheehy, vice-president of Massachusetts Bonding. Charles E. Cole, manager fidelity and surety department of Founders, will discuss the practical side of handling a contractor needing a surety bond.

Cinci. Claim Men Elect

Norbert E. Miller, claim superintendent of North America, has been elected president of Cincinnati Claims Managers Council. Richard Uible, America Fore, is vice-president, and S. R. Swergel, Hardware Mutuals, secretary.

Ask Conn. Surplus Line Law

Connecticut Assn. of Insurance Agents is sponsoring a bill to legalize placing surplus lines insurance in unauthorized insurers such as Lloyds.

The legislative committee has decided neither to sponsor nor support any bill enacting a statutory limit for death arising from an automobile accident.

G. B. Fisher, chairman of the legislative committee, advises members that the state motor vehicle department will probably sponsor an amendment to the financial responsibility

law, specifying that insurance with limits of \$20,000 BI and \$1,000 PDL, will relieve motorists from the terms of the FR act. Presently insurance in this amount does not relieve persons from the act if judgment is secured in an amount in excess of \$20,000.

Advantages of Cal. Broad Form Dwelling Policy Told

A complete explanation and exposition of the new broad form dwelling policy, recently approved for use in California, were presented at the installation luncheon of the Insurance Brokers Exchange of California at San Francisco.

A panel consisting of Percy Lynch, secretary of Great American, who was chairman of the committee of Pacific Board which drafted the policy; Laurence J. Purcell, director of the exchange and chairman of its fire and allied lines committee; Jay R. Jones, president of Pacific Fire Loss Assn., and Fay H. Hawkins, assistant general manager Pacific Fire Rating Bureau, discussed the varied phases of the policy and its impact on the business.

Mr. Lynch told why the specified risk provisions were adopted instead of the originally requested "all risks" type of policy and the philosophy behind the form; Mr. Hawkins discussed the rating procedure, Mr. Jones the loss angles and Mr. Purcell its service to the more than 3 million dwelling owners in the state eligible for the coverage.

Mr. Purcell vigorously urged active selling of the policy, emphasizing the duty of the producer to provide the best coverage possible to the client. He said if rates proved "out of line" one way or another they can quickly be adjusted. He cited illustrations of the small difference in cost for the complete coverage as compared with the old form now in use. He predicted that its success would mean adoption of a similar form throughout the country "in the public interest."

Claims Course Starts Feb. 10

Another course on the investigation and adjustment of casualty claims starts at De Paul University, Chicago, Feb. 10. This is open to the public as well as regular De Paul students and is under the direction of Joseph W. Griffin. Classes are held Tuesday evenings through June 2. E. C. Dillon of Chicago Motor Club is chairman of the educational committee of Casualty Adjusters Assn. of Chicago that is co-operating.

Mount Shifts to Head Office

North America has named John Mount manager of the marine service department at the head office. Mr. Mount recently returned from 21 months active duty with the air force at Washington, D. C. He was formerly manager of the marine service department at New York. He joined North America in 1928.

Swanberg Is Montana Chairman

Governor Bonner of Montana has appointed Robert F. Swanberg of Missoula as chairman of Montana industrial accident board. He takes the place of Baxter Larson, who resigned in November.

"Buddy" Blattner, former big league ball player and radio sportscaster, spoke at a luncheon meeting of St. Louis Blue Goose.

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Mutual Benefit H.&A. Passes \$100 Million

With \$101,185,000 premium income in 1952, Mutual Benefit H. & A. established an all-time record, according to V. J. Skutt, president, who addressed a four-day meeting of Mutual Benefit and United Benefit Life managers at Boca Raton, Fla. Premium income in 1952 was more than \$10 million higher than in 1951. The increase was more than three times that shown in 1951 over 1950.

N. M. Longworth, executive vice-president of United Benefit, told the managers' group that early in 1953, it will become the youngest life insurance company with \$1 billion insurance in force. At the end of 1952 it was \$956,735,216 and in 1951 \$877,777,291. Ten years ago, Mr. Longworth said, United Benefit had \$240,951,011 insurance in force.

"United Benefit made great progress in 1952," Mr. Longworth told the managers' association. "We expect even greater progress in 1953, when United Benefit will become a billion dollar company."

John B. Lambert of Cleveland was elected president of the managers' association to succeed Lyle Himer, Phoenix, Ariz.

Roy F. Morgan, Atlanta, is 1st vice-president; Charles H. Juergens, New York City, 2d vice-president; C. T. Tollefson, Fargo, N. D. secretary; and W. T. Holliday, Jr., Birmingham, treasurer.

H. C. Carden, superintendent of agencies, presided over the discussion periods. Speakers from Mutual Benefit included E. S. Adams, executive vice-president; D. M. Madgett, vice-president in charge of special risks; Gale Davis, vice-president in charge of group, PRD, and professional men's program; Mrs. M. L. Criss, director of personnel and planning; James Farlee, promotion and director of sales; F. A. Walton, director of training; Howard Le Clair, vice-president in charge of claims, and D. D. Ulfers, chief underwriter.

Speaking for United Benefit were R. S. Wagner, vice-president in charge of underwriting, and R. J. Taylor, assistant vice-president in charge of training, in addition to Mr. Longworth.

S. D. Links Driver Licensing and F R Legislation

A driver's license bill and an automobile financial responsibility measure have been introduced as companion pieces in the South Dakota legislature. This is the only state that doesn't have a driver's license law. At the last session there was quite a battle over these measures and the legislature came within a squeak of enacting a compulsory automobile insurance law. There is still a lot of opposition among the farmers to even so much as a licensing law. The whole program last time got considerable billing as insurance company measures and that fouled up the debate. There were some who had hoped that South Dakota would do one thing at a time—that is, first enact a driver's license law and then at the next session pass a financial responsibility bill.

Horace Mann Buys Building

Horace Mann Ins. Co. of Springfield, Ill., has purchased a three-story building at 216 E. Monroe street there. The company paid "slightly over \$200,000" for the property, which has a 90 foot frontage on Monroe street and contains approximately 50,000 square feet of of-

fice space. The former owners were Central Standard Life of Chicago. Horace Mann will move into the new quarters in about three months.

Wis. Valley Adjusters Elect

At the annual meeting of Wisconsin Valley Adjusters Assn. at Wausau, Wis., L. H. Williams, Motors Acceptance Co., was elected president; N. L. Peterson, Employers Mutuals, vice-president, and A. P. Mason, Mutual Service companies, secretary.

Soon Ready for Launching

The company that is being organized at Madison, Wis., to write sub-standard automobile third party liability risks by S. H. Struck is almost ready to slip off the ways. The necessary \$50,000 has been raised, rates have been filed and reinsurance arranged for and the task of rounding up the initial 400 applications is well along. The name has been changed from Lakeland to Dairyland Mutual due to the fact that there is a small Wisconsin

mutual fire company with the name "Lakeland." Mr. Struck is a former instructor of insurance at the University of Wisconsin, and most recently he has been on leave of absence to act as secretary to the legislative committee investigating automobile accidents and related problems in Wisconsin. Associated with him in Dairyland is Donald W. Anderson, local agent at 8 South Carrol street, Madison, and this will be the headquarters of the company. Mr. Anderson is a University of Wisconsin insurance graduate.

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A. & H. Is Lecture Topic for Huebner Foundation Series

A. & H. insurance has been adopted as the topic for the current lecture series of the S. S. Huebner Foundation for Insurance Education. Lectures are held at dinner meetings on the University of Pennsylvania campus. The series ends April 29.

Lecturers and their subjects are Edinson L. Bowers, chairman department of economics, Ohio State University, "The Nature of Accident and Sickness Insurance; E. J. Faulkner, president Woodmen Accident, "Replacement of Income—Personal Contracts;" C. M. Eddy, vice-president and secretary Connecticut General Life, "Replacement of Income—Group Contracts;" Gilbert W. Fitzhugh, 3rd vice-president group sales, Metropolitan Life, "Meeting Hospital Costs;" J. Henry Smith, 2nd vice-president and associate actuary Equitable Society, "Meeting Surgical and Medical Expense;" H. Lewis Rietz, vice-president Lincoln National Life, "Personal Contract Provisions;" Wendell Milliman, vice-president group insurance, New York Life, "Group Contract Provisions."

Three aspects of selection, underwriting, reinsurance and claim adjustment will be treated, with Armand Sommer, vice-president Continental Casualty, talking on "Personal Commercial Contracts;" Alfred W. Perkins, vice-president Union Mutual Life, "Personal Noncancellable Contracts," and Edward A. Green, 2nd vice-president John Hancock Mutual, "Group Contracts."

John H. Miller, vice-president and actuary Monarch Life Of Massachusetts, will discuss rates and reserves, including dividends, for personal, commercial and noncancellable contracts, with Edward M. Neumann, 2nd vice-president and associate actuary Prudential, giving the group aspect of that subject.

Heavy Bank Loss in Pa.

Michael Senio, former cashier of Mayfield State Bank at Archbald, near Scranton, Pa., has been arrested by the FBI and charged with a shortage of \$73,868. James P. Scoblick of Archbald, former Republican member of Congress, also has been arrested and charged with aiding and abetting Senio. Funds of the bank misapplied

now are put at \$169,151. Fidelity & Casualty had the \$65,000 bond on the bank.

The district attorney of Lackawanna county indicated that the shortage included \$77,431 from the account of Russian Brotherhood Organization of the U. S. A., of which Senio was treasurer for years. Apparently the misapplication method was basically a check kiting scheme.

Mueller Tells Success Factors at Cincinnati

E. H. "Count" Mueller, state agent in Wisconsin for Provident Life & Accident, sparked the January meeting of the Cincinnati Assn. of A. & H. Underwriters with one of his characteristic addresses, in which he dealt with the personal factors of an agent's success, not only in his sales work, but in life generally.

He suggested that the producer ask himself, "What is it I didn't do last year that I could have done to make more sales?" Many times, he said, the agent loses a sale because of himself—he must remember that he is only the medium for transacting the sale, and that the most important person in the transaction is the prospect.

To illustrate that the prospect should be given a part in the sales interview, he said there are two kinds of conversation, like the games of golf and tennis—one which is played single-handedly, and the other which is participating. "In golf, you hit the ball all the time; in tennis, you give the other fellow a chance at the ball."

He said that development of good personality is far more important than the development of a sales talk.

Hanna Back in Harness

John P. Hanna has returned to the staff of Health & Accident Underwriters Conference as associate managing director, after a two-year leave of absence as a naval lieutenant commander. Mr. Hanna, a graduate of Northwestern University law school, served aboard mine sweepers and destroyers during the war. He joined the conference staff as attorney in 1947.

A formal welcome is planned Feb. 2, at the Drake Hotel, Chicago, at the opening session of the hospital-medical and group annual meetings.

Look Applauds Mac Arthur

John D. MacArthur, president of Bankers Life & Casualty, is one of those receiving plaudits from Look magazine in the current issue. In its "Look Applauds" column, the magazine praises Mr. MacArthur for helping to "break down most employers' reluctance to hire physically handicapped and older people by demonstrating in his insurance firm that their work is equal, or even superior, to that of ordinary employees." It is added that Mr. MacArthur has been awarded a plaque by General Federation of Grandmothers Clubs.

Seek State Auto Fund Probe

ST. PAUL—A bill due to be introduced in the lower house this week by a group of legislators provides for setting up commission of six members to "investigate the advisability of the establishment of a state-operated automobile liability fund or plan so that citizens of this state may have necessary protection at reasonable cost."

The commission would also inquire into the manner in which existing rates are set and accumulate facts and data from which comparison can be made with rates charged for similar insurance in other states.

The commission would include three members of the house and three senators. It would have power to hold hearings and collect evidence and testimony.

Texas A. & H. Group Elects

R. B. Donovan, vice-president of United American, Dallas, has been elected president of Texas A. & H. Claims & Underwriters Assn. Vice-president in charge of programs is Robert R. O'Haver, Southland Life; vice-president in charge of membership, Lowry Loveless, Insur-O-Medic Life; secretary, Mary R. Darley, Southland Life.

Luncheon Honors Driver

A luncheon at New York to honor Ernest G. Driver, former secretary of American Institute of Marine Underwriters, Board of Underwriters of New York and Assn. of Marine Underwriters of the U. S. was attended by 50 present and former officers and directors of the sponsoring organizations and by other associates of Mr. Driver, who joined the marine underwriters' association in 1913. J. Arthur Bogardus, president of Board of Underwriters and chairman of Atlantic Mutual presided presented to Mr. Driver congratulatory messages from friends in various parts of the world. He was also given a television set.

Truck Line Insurance Manager

John D. Wimberley, a vice-president of Mason & Dixon Lines, Kingsport, Tenn., has been named director of its new department of insurance and safety. He was formerly with the Bennett & Edwards agency of Kingsport, specializing in casualty insurance, and also acted as insurance consultant for Mason & Dixon Lines and other trucking firms in that area. He served as co-chairman of the planning committee of Tennessee Assn. of Insurance Agents.

Automatic Insurance Decision

A question involving automatic insurance for newly acquired automobiles has been decided adversely to the

insured by the New York supreme court appellate division in Schaller et al vs. Aetna Casualty, 1 CCH (Automobile) 58. The car that was specified when the BI insurance was taken out was sold on June 29, 1946 and replaced with a second car. The second car, in turn, was sold July 6 and the insured was without an automobile until Aug. 24 of that year when he bought a third car. That car was involved in an accident on Sept. 2. Insured did not inform the insurer of any of these car deals. The court said that the second car was covered under the automatic insurance provision for 30 days after it was acquired. By the failure to give notice the insurance on the second car terminated at the end of 30 days, and there was accordingly no insurance applicable either to the first car or to the second car which could be applied to the third car.

Mugg Heads Iowa Group

James K. Mugg of Farmers Mutual Hail, Des Moines, has been elected president of Iowa Casualty & Surety Underwriters Assn. He succeeds Knox Kling, Allied Mutual Casualty.

Britton Chicago Special

David C. Britton has been appointed special agent at Chicago of the American Surety. Starting in as a casualty underwriter, he began his special training last November. He is an air force veteran and he attended Northwestern University.

Name Brill on Coast

Robert D. Brill has been appointed Pacific Coast manager of Associated Aviation Underwriters with headquarters at Los Angeles.

Allstate Columbus Setup

Howard E. Marlo has been named Columbus, O., district sales manager for Allstate and Frederick C. Smith district service manager. The office there will service eight central Ohio counties.

Elect at Charlottesville

CHARLOTTESVILLE, VA.—W. A. Rinehart, III, has been elected president of the Charlottesville Association of Insurance Agents. Other officers elected were William C. Chamberlain, Jr., vice-president, and Thomas G. Chalmers, secretary and treasurer.

Aetna Fire Coast Shifts

George D. Young, superintendent of agencies of Aetna Fire at Los Angeles, has been transferred to Oakland to replace George W. Anderson, also superintendent of agencies, who is transferred to San Francisco.

Dorchester Ups Wyman

Arthur P. Wyman has been elected assistant secretary of Dorchester Mutual Fire. He has been with the company for some 15 years as a field man, recently as special agent for eastern Massachusetts, Rhode Island and Connecticut, which field he will continue to serve.

Vermont Agencies Merge

Bell & Clark Agency is the name of the new organization produced by the merger of the Walter A. Clark and Bennett Bell agencies, both of Rutland, Vt.

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Role of Local Agents

(CONTINUED FROM PAGE 25)

panies from writing casualty business through a branch office. One deterrent to branch offices is the lack of trained personnel. Men trained in both fire and casualty work are rare. Even the insurance department under its new multiple line organization has to train men so that it can apply standardized procedures in its examination of fire and casualty companies.

"You folks have the trained personnel needed for this work," Mr. Straub stated.

The appointment of the committee will aid the agents in studying the question of how to persuade the companies that the companies need the agents, he said. It is necessary for the agents to look at the problems in broad perspective. Alternatives must be examined and all problems must be surveyed.

Such a committee will be able to observe the work of government bureaus, to which the agents should ever be alert, and to examine the conduct of the bureaucrats independent of company examination of them. It also enables the agents to improve the public's understanding and attitudes towards insurance. The committee can search for new techniques and improved methods of operation, he said.

Mr. Straub referred to the dividend payment of Preferred Accident. He said that this is the largest liquidation in the history of the liquidation bureau of the insurance department and it represents the most prompt payment of claims in the bureau's history. He praised Alfred C. Bennett, attorney of the liquidation bureau, who has handled the liquidation, for the prompt payment. He said Mr. Bennett believes that the aggregate dividends will be "quite substantial." However, no percentage was mentioned.

Insurance Men Named to Hospital Cost Study Group

Several insurance men have been appointed to Commission on Financing Hospital Care. This is the group that was set up about a year ago by American Hospital Assn. to study costs of and payment systems for adequate hospital services.

Named to the committee on prepaid hospital care were C. Manton Eddy, Connecticut General Life, along with Henry S. Beers, Aetna Life, who is consultant.

On the technical advisory committee are Morris Pike of John Hancock, and H. Lewis Rietz, Lincoln National Life, president of H. & A. Underwriters Conference.

E. J. Faulkner, Woodmen Accident, is on the committee on the medically needy, with E. B. Whittaker, Prudential, as consultant.

The commission will make its report in series form.

Bond Big Coast Projects

Richmond-San Rafael Bridge Authority in California awarded a \$14 million contract to Peter Kiewit Sons Co. and Ben C. Gerwick for construction of substructure for the bridge. Aetna Casualty for Kiewit and Massachusetts Bonding for Gerwick are sureties.

Massachusetts Bonding has issued the bond for Louis C. Dunn and Carrico & Gautier jointly, at \$3,240,000

for the construction of an army warehouse at Benicia, Cal.

Bressi & Bevanda and A. Teichert & Son jointly have been awarded the contract at \$3,747,000 for construction of the Whittier Narrows flood control basin, San Gabriel river improvement. Hartford Accident for Bressi & Bevanda and Massachusetts Bonding for Teichert are on the bonds.

Massachusetts Bonding has executed the bond for Robert E. McKee, Los Angeles, who has been awarded the contract at \$2,786,430 for construction

of the communicable disease unit of the Los Angeles county general hospital.

A. Teichert & Son has been awarded the contract at \$1,890,000 for construction of the Pacoima Wash Improvement, Los Angeles county drainage area. Massachusetts Bonding is on the bond.

A. Roy Dunn, formerly of Aberdeen, Wash., and Garden Grove, Cal., has acquired a half interest M. C. Zintheo agency at Shelton, Wash.

New Home Unit at San Jose

Formal opening of Home's service office at San Jose Cal., was marked by a reception at the Hotel de Anza. Present at the ceremonies were Vice-president and Secretary George E. Stroub and Secretary Robert S. Walker, from San Francisco.

The new office will be under the supervision of Herbert J. Dinsmore, special agent. He will be assisted by Robert G. Honerlah, special agent, and Leo W. Bennett, adjuster.

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Seek to Stop Switch of Giant A. H. Group

AKRON, O.—Fourteen employees of Firestone Tire & Rubber Co. have filed an injunction in Summit county common pleas court to prevent cancellation of their policies with John Hancock Mutual Life by local 7, United Rubber Workers of America. The union has announced that the group A. & H. policy covering some 10,000 union workers at Firestone would be transferred to Ohio Farm Bureau Mutual.

The employees also seek an order to prevent the Farm Bureau from "soliciting by fraudulent representations enrollment of the plaintiffs" and other Firestone employees in their insurance plan. Among other requests is that Firestone Tire & Rubber Co. be ordered to continue salary deductions to keep the John Hancock insurance in effect until the dispute is settled. The plaintiffs contend that unless John Hancock policies continue until the controversy is settled, there may be an interval in which the men will not be protected by either company.

The present group policy does not require physical examinations, and many employees could not pass physical tests which would be required in insurance of other types, it was claimed. The coverage has been written by John Hancock for about three of the five years it has existed.

Rates under the John Hancock program have been 96 cents a week for single subscribers and \$1.99 a week for families. The Farm Bureau rate is 90 cents a week for single persons and \$2.05 for family coverage. The union's notice of cancellation of the John Hancock policy followed a special meeting on Jan. 4 which was said by plaintiffs to have been attended by less than 200

of the 10,000 policyholders, and came at a time when John Hancock was requesting a premium increase.

The petition said the union local had authority to obtain an insurance plan for its members, but has no other control over the operation. The agreement provides for cancellation only by the individual policyholders, and not by the union itself, the petition said.

Cravey Appoints Committee on Agents' Qualifications

Commissioner Cravey of Georgia has appointed an insurance industry committee to confer on his proposed rules and regulations for agents' qualification examinations applying to applicants planning to write life, H. & A., hospitalization and similar cover. Members of the committee are:

Chairman, Howard Dobbs, Life of Georgia; vice-chairman, F. M. Akers, Jr., Prudential; George F. Albright, Life of Virginia; William F. Buchanan, National Life & Accident; LaFayette Davis, Provident Life & Accident; J. M. Ellis, Interstate Life & Accident; George Fairleigh, Georgia Assn. of Insurance Agents; Lee Laney, Mutual Benefit H. & A.; John L. Taylor, Guarantee Trust Life, and W. C. Turpin, Bankers Health & Life.

Loyal Promotes Four Men

Four promotions and status changes are made by Loyal Protective Life:

John J. Crane, Pacific coast supervisor, has been named superintendent of agencies, Pacific division; Charles U. Pugh, regional superintendent of agencies at Columbus, O., and a past president, Ohio Assn. of A. & H. Underwriters, has joined the home office at Boston as director of conservation; Indiana has been added to the territory supervised by Clinton C. Doyle, midwest superintendent of agencies; and Wallace C. Ralston, agency assistant, has been named eastern superintendent of agencies.

Two Cal. Bills to Provide Catastrophic Health Cover

State Senator O'Gara, San Francisco, has introduced two bills in the California legislature aimed at establishing a system for aiding individuals to meet the cost of "catastrophic" injuries or illnesses.

One measure would set up a state revolving fund of \$1 million to reinsure private carriers against these excessive losses, with the state writing no direct insurance. He explained that this bill, which would also provide for reinsuring Blue Cross, California Physicians Service and other voluntary plans, is aimed to encourage greater participation under voluntary systems now available.

The other measure provides for a transfer of \$1 million from the present unemployment disability plan to write more extensive coverage for workers now covered under UCD who desire, and are willing to pay, an additional premium for more adequate coverage to meet the heavy losses resulting from long periods of disability unemployment.

Both the bills specify that the policies include a \$250 deductible, the fund paying the balance up to \$5,000. Reinsurance rates would be computed to pay back the \$1 million within 20 years. The measures set up an administrative board consisting of the state director of finance, the insurance commissioner, director of public health, president of the California Medical Assn. and an insurance executive.

While Governor Warren, who has long advocated a broader plan of public health insurance, would not comment on O'Gara's measures, he has reiterated his desire for broader coverage but without a socialistic label.

Health Needs Body Now a Private Committee

WASHINGTON—Dr. Paul B. Magnuson, chairman of the Commission on Health Needs of the Nation, announced that a number of members of that former body will appear at the three-day national forum, March 18-20, of the National Health Council in New York, and will discuss commission findings.

Dr. Magnuson stated the former commission has formed itself into a private committee for the purpose of promoting wider distribution and better understanding of the commission's report. He declared this temporary committee will not engage in partisan controversies or advocate specific legislation embodying commission recommendations.

Callahan Phila. Speaker

Thomas Callahan, Time, Milwaukee, vice-president of International Assn. of A. & H. Underwriters, addressed the Philadelphia association Jan. 21.

Make All A. & H. Non-Can

A bill has been introduced in the Indiana house to make cancellation of any A. & H. policy except for fraud, cause for license revocation. The bill would, of course, make all policies issued in Indiana non-cancellable and guaranteed renewable.

Another house bill would make it mandatory for cities and towns having volunteer fire departments to provide insurance offering a minimum of \$30 a week and free medical, surgical, hospital, nursing and supplies for the du-

ration of any disability resulting from injury to a volunteer fireman in line of duty. In addition, there would be a lump sum payment of \$5,000 in event of total disability and \$7,500 for death from accident or injury in line of duty.

New A. & H. Social Security Bills in Congress

WASHINGTON—Among bills recently introduced in Congress was one by Senators Hill and Aiken for federal aid to states for promoting voluntary health insurance. Premiums for it would be based on ability to pay. Federal-state money would be used to survey voluntary insurance enrollment, and could be used to finance cost of plans to improve the same and other specified conditions.

Hospitalization under this program would be limited to 60 days annually. The program would be administered by surgeon general of public health service. "Service cards" would be issued to persons whose insurance is subsidized.

Tax relief in form of additional \$600 exemption for permanently and totally disabled persons is proposed under a bill by Rep. Elliott, Ala.

Rep. Byrd, W. Va., offered a bill to provide social security disability insurance benefits for totally disabled persons covered by OASI, at any age and at rates equal to retirement benefits. Federal security administrator would control determinations of disability and periodic redeterminations, including selection of physicians and payment for examinations where non-government physicians were employed.

Waiver of social security contributions for disabled persons is proposed in a bill by Eberharter, Pa., under which regulations would be at discretion of FSA administrator.

Cinci. Blue Cross Rates Up

Hospital Care Corp. of Cincinnati, southwestern Ohio's Blue Cross plan, has announced increases in fees effective March 1. The rate for an individual is raised to \$1.85 a month from \$1.50 and the family rate to \$4.25 per month from \$3.50. It was stated that the plan has been paying out \$1.11 for every \$1 received. At the end of November it transferred approximately \$300,000 from surplus to take care of the difference between fees received and expenditures.

A folder announcing the new rates states hospital costs have been increasing at the rate of 1% per month for several years. It says hospitals in southwestern Ohio charged an average of \$18 per day last year.

Agree on Group A. & H. Bill

Agreement by all agents' and company groups has been reached in Indiana on the proposed group A. & H. legislation to be submitted to the current session of the legislature. Previously Indiana Assn. of Life Underwriters had given the bill qualified approval.

The bill will permit trusted group among associations of employers in a common industry or among associations of persons in a common occupation or profession. It also identifies franchise along lines in general accord with the N. A. I. C. definition.

The A. & H. bill would also enact into law the uniform provisions for individual accident and sickness policies as recommended by N. A. I. C. No opposition has been expressed at any time to this portion of the bill.

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ROCK ISLAND, ILLINOIS

Outlines Bill to Curb Group A. & H. Commissions

(CONTINUED FROM PAGE 25)

A. & H. company officials that the department intends to be "most firm" in applying penalties against any licensee involved in any rebating situation. Stating that rebating was a problem for self-policing in company and producer ranks, he warned his audience that failure of the industry to handle the problem will result in more stringent regulation of offenders and non-offenders alike. He asserted that the department believes it is contrary to the state insurance law for any insurer to make any payment to an applicant or holder of a group insurance policy other than as expressed in the contract or to make any payment to any third party who is not a bona fide representative of the insurer.

"This is not to say, however, that dividends or rating readjustments cannot be paid or that reasonable expenditures to persons other than its policyholders or employees cannot be made for services rendered in good faith on behalf of the insurer, provided such services are normally performed by the insurer and do not represent merely the shifting of functions relating to the administration of the group insurance from the policyholder to the insurer," said Mr. Murphy. "For example administrative expense generally is deemed an employer expense under ordinary circumstances. The transfer of it to someone else would not justify a payment by an insurer to the other party for such service."

Discussing second year rates, dividends and retrospective adjustments on group A. & H., Mr. Murphy said that "it is, of course, self-evident that a guaranteed dividend or rate adjustment—sometimes referred to as a 'retention agreement'—would completely frustrate the purpose of our rate filing law." He said that second year rates need not be filed as such but it must be remembered that the standards applicable for new business are equally applicable for renewals.

Dividends or rating adjustments based on the experience of any policy year are expressly recognized by the law. Such refunds, said Mr. Murphy, should be based on factors or be the result of formulas which result in rating treatment supported by differences in morbidity or expense and which does not result in unfair discrimination. While it is not feasible for the actuarial staff of the department's policy bureau to review factors or formulas underlying each dividend calculation or rating adjustment, such a review is a very special concern of the department's examiners during their regular triennial examinations, Mr. Murphy said.

Referring to group policies which provide for a deposit premium with the actual premium determined at the end of the policy year in accordance with a stated formula based on losses, size of risk or other factors, Mr. Murphy said that "we do not construe this method as a retrospective adjustment of rates as contemplated by our law but rather as a method of premium determination subject to the same statutory requirements for premium rates as we have just discussed. Such retrospective rating formula, together with its specific factors must be filed with the department and must also be set out in the policy form itself."

Mr. Murphy said that the principle

of preventing unfair discrimination is generally recognized and accepted by insurers as respects business done within New York state but the principle has a wider application. He mentioned that in 1948 it developed that group A. & H. contracts were being sold in a neighboring state by insurers admitted in New York state at rates up to 15% less than rates charged policyholders resident in New York for comparable benefits. In the department's opinion this differential constituted unfair discrimination. Further consideration of the proposition developed that there were certain demonstrable expense savings available by reason of economies made possible by a compulsory plan in the neighboring state which justified a 5% differential but no more.

"To my mind this development dramatizes the purpose of the anti-discrimination law while serving also as an example of how a rate differential for the same coverage may be justified," he said.

Mentioning the new section of the law that went into effect Sept. 1, 1952,

providing specific penalties for violation of filing requirements, including those applicable to group A. & H., Mr. Murphy recalled that the rules drawn up following conferences between the department and a committee representing the group business had been drafted but never put into effect. He did not review the rules but said that copies would be available in due course.

"It is to be noted, however, that the rules themselves are largely mechanical in that they provide for a number of purely procedural items," he said. "It was recognized by the drafting committee that these rules did not nor were they intended to limit any authority. The department has to seek fuller and more complete information than provided for in the rules. It is likewise to be noted that these rules will be appropriately amended to make provision for the amendments to the group law which this department is sponsoring in the present legislature in the event of the enactment of this or any other legislation affecting the subject matter of the rules."

In connection with risks where A. & H. coverages are agreed upon between labor and management through collective bargaining, Mr. Murphy said it is clear that an insurer may be called upon to provide immediately coverage in a form for which it has no previously approved form. It is his belief that a strict interpretation of the law might require an insurer to go to the department and secure a formal approval of an appropriate form before he could voice a commitment.

"It is my conviction," he said, "that such an unrealistically literal construction would be retrograde and entirely inconsistent with the position that our law is intended to implement, not impede, our insurers in their efforts to provide the legitimate insurance requirements of American business."

Mr. Murphy said there are two methods of meeting this situation. A company may adopt the so-called "portfolio" type of filing in which the department may approve forms for use singly or in combinations. If units of coverage can be stipulated as such and




What kind of a replacement is THIS?

When a policyholder needs the glass in a car window replaced, tell him to specify the same *brand* and *quality* that's in the other windows.

That's the only way he can be sure of getting glass as good as the original. And it's the only way you can be sure *he* gets what *you* pay for.

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SAFETY  PLATE

with ascertainable premium charges, this type of filing should constitute the answer to all but the most unique "tailor-made" requirements, he said.

For the unusual and reasonably unanticipated "tailor-made" demands the insurer may agree to afford the desired coverage with the distinct understanding that the policy form embodying such coverage is subject to the approval of the insurance department and further agree that in the event the form is not approved by the department no policy form will issue and the parties will be returned to status quo.

Discussing statutory provisions dealing specifically with group A. & H., Mr. Murphy said that the first thing to be considered is the number and composition of insured required for group eligibility. Any A. & H. form providing accident or sickness coverage to more than one person, other than a family or certain other groups, expressly denominated as blanket insurance, is defined as group A. & H.

Eligibility for group A. & H. initially was determined by the relation of employer and employee. This was extended to employees of employers in the same industry or employer-members of a trade association or other associations of employees and has been further liberalized to include the dependents of the employee or member.

Mr. Murphy said that acceptance of the present group eligibility requirements doesn't mean that other non-eligible groups cannot enjoy at least some of the benefits of group insurance. It might be demonstrated in the future that broader eligibility requirements are in the public interest, he said.

Finance People Huddle on Restrictive Licensing

(CONTINUED FROM PAGE 1)

Meyers would add a condition for issuance of temporary license to those now found in the model bill which are in the event of the death of an agent, when an agent is in military service and for an industrial life insurance company and read that temporary license may be issued "to an applicant for an agent's license of an insurer to transact any business other than contracts of life insurance and annuities, while taking a course of study, instruction and field training under the supervision of his insurer which shall be responsible for all acts or omissions of such agent within the scope of his agency appointment. Such temporary license shall remain in force until the first examination occurring six months after the date of the temporary license and until he is advised of the results of such examination. The commissioner may in his discretion renew such temporary license for an additional term of three months subject to the same conditions as applying to the original temporary license."

The refusal of the U. S. Supreme Court to review the Ohio case of Motors Ins. Co. causes the finance people much concern. The Ohio law denies license to those with a majority of controlled business and this applies to "vendors."

J. W. Sutcliffe Retires

J. William Sutcliffe, secretary of Providence Washington, has retired.

Mr. Sutcliffe joined the company in 1951 and completed 38 years of service in various capacities.

Bank Auditors Launch Anti-Fraud Campaign

National Assn. of Bank Auditors & Comptrollers has adopted a program of pushing efforts to curtail fraud more vigorously than ever during 1953. The program will tell bankers about hazards in slipshod auditing, and the association will keep up a continuous anti-fraud campaign throughout the year.

The association points out that defalcations in insured banks increased from 270 in 1946 to 608 in 1951. Now Federal Deposit Insurance Corp. reports that the first nine months of 1952 showed an increase of 5.33% over the same period in 1951.

As a major part of its early 1953 offensive on bank frauds, the association is making available an anti-fraud kit to every bank in the country at \$2. Four auditing publications are included in the kit, audit program for smaller banks, audit schedule control book, audit aids for small and moderate sized banks, and the audit schedule for smaller savings banks.

The audit aids for small and moderate sized banks has been reprinted by Surety Assn. of America and given wide distribution. The association now is preparing an audit schedule for smaller trust departments and a booklet on internal safeguards for country banks which will be made available soon. The association will conduct a school for bank auditors and comptrollers beginning June 29 at University of Wisconsin, Madison.

In January the association is mailing an audit questionnaire to each bank board chairman, designed to help give bank directors an insight into their responsibilities.

A new program designed especially for use of smaller banks to safeguard against embezzlements will be outlined at the mid-winter meeting of New York State Bankers Assn. Jan. 19. The program is aimed at establishing a system that will permit outside accountants to come in and do a thorough job in the smaller banks. Purpose is to strengthen internal and external audit controls.

At Thomasville, Ala., W. P. Stutts, lumberman, pleaded nolo contendere to charges against him by the government in a connection with alleged misapplication of \$900,000 in funds of the former Thomasville Bank & Trust Co. Three other defendants, including J. M. Drinkard, its president, also pleaded no contest and were to be sentenced next week. U.S.F.&G. had the bond on the Thomasville bank.

Farrin To Bankers L.&C.

Michael H. Farrin has resigned as administrative assistant in the governor's office at Springfield, Ill., to become assistant to the president of Bankers Life & Casualty. Mr. Farrin handled investigations for the governor's office. He joined the staff in 1952 after service with the F.B.I. for 12 years.

Carr Advances on Coast

John M. Carr has been appointed superintendent of the engineering department in the Pacific department of Hartford Accident. He succeeds Thomas S. Austin who has returned to Texas as head of the engineering department of American General at Houston.

Mr. Carr joined Hartford Accident in 1938 in the metropolitan underwrit-

ing department, later became special risk engineer and then supervising engineer. He will now supervise the entire Pacific department engineering facilities, servicing all types of casualty business. He is a past president of Casualty Underwriters Club of San Francisco.

Doctor's Hourly Wages

About Same as Skilled

Laborer's, Survey Shows

The average family doctor in 1951 earned \$3.76 an hour, according to a survey of "Medical Economics," a business magazine for physicians. The survey assumed time and a half for overtime and double time for Sunday work, and credited the doctors with working about 75 hours a week.

The net income, before taxes, of family doctors in 1951 was \$14,098.

The magazine observes that "the interesting thing about this figure is its strong resemblance to current base pay for skilled union labor. Many bricklayers, for example, get \$3.25 an hour now a days. And if other workers earn less, and as medical specialists earn more, isn't this explainable in terms of degree of specialized skill?"

It is also pointed out that the average physician in private practice spent \$9,508 on operating expenses in 1951. This is a 24% increase from 1947 when expenses were \$7,200.

Office assistants' salaries cost the average doctor \$2,689 in 1951. Other major expense items were drugs and supplies, \$1,966; office rent, \$1,149; automobile upkeep, \$882, and instruments and equipment, \$661.

The survey showed that doctors in small towns generally spend a higher percentage of their gross income on expenses than those in metropolitan centers.

Hear Miller at Cleveland

Ray H. Miller, manager of the Ohio motor vehicle assigned risk plan and manager of Ohio Bureau of Casualty Insurers, spoke before Insurance Board of Cleveland, explaining the new Ohio financial responsibility law.

Big State Fund Building

Several contracts have already been awarded for construction of a new home office building for New York State Insurance Fund at Church and Duane streets at New York. This will be a 15-story building and will cost about \$5 million.

Buyers Hear W. C. Talk

Stanwood L. Hanson, assistant vice-president and manager of compensation claims of Liberty Mutual, is addressing a luncheon meeting Jan. 22 of the New York chapter of National Insurance Buyers Assn. on "The Rising Cost of Workmen's Compensation Claims and New Methods of Control."



Artist's conception of new Royal-Liverpool group regional office to be located at 714-18 James street, Syracuse, N. Y. Present plans call for occupancy early in 1954.

STOCKS

By H. W. Cornelius, Bacon, Whipple & Co.,
135 So. La Salle St., Chicago

Jan. 20, 1953

	Div.	Bid	Asked
Aetna Casualty	3.00	110	112
Aetna Fire	2.40	61	62½
Aetna Life	2.50	119	121
American Alliance	1.50*	34½	36
American Equitable	1.50	28	29½
American Auto	2.00	52	54
American, (N. J.)	1.00	26	27
American Surety	3.00	63½	65½
Boston	1.40	38	40
Camden Fire	1.10*	25	26
Continental Casualty	2.50	81	83
Crum & Forster Com.	1.60	47	49
Fire Association	3.00	72	75
Fireman's Fund	1.60	61½	64
Fireman's (N.J.)	.90	28	29
General Reinsurance	1.60	38½	40
Globe & Republic	.80	15	17
Great American Fire	1.50*	40	41½
Hartford	3.00*	167	169
Hanover Fire	1.80	41½	42
Ins. Co. of			
North America	2.25	88½	90½
Home (N.Y.)	1.80	40½	42
Maryland Casualty	1.20	25½	26½
Mass. Bonding		23½	24½
National Casualty	1.50*	28	Bid
National Fire	2.60	71	73
National Union	1.80	44	46
New Amsterdam Cas.	1.50	42½	45
New Hampshire	2.00	48½	50
North River	1.20	31½	33
Ohio Casualty	1.55	69	Bid
Phoenix, Conn.	3.40*	101	103
Prov. Wash.	2.40*	31	32½
St. Paul F. & M.	.85*	33	35
Security, Conn.	1.70	39	41
Springfield F. & M.	2.00	52	54
Standard Accident	1.60	42	44
Travelers	14.00*	800	810
U.S.F. & G.	2.00	66	68
U. S. Fire	1.50*	46½	48½

*Includes extras.

Unfinished Roof Leakage Termed as "Accident"

The appellate division of New York, supreme court decided recently against Lumber Mutual Casualty in a suit brought by the Rex Roofing Co. in the matter of liability insurance and an exclusion clause claimed by the insurance company in the matter of water damage from an unfinished roof.

The roofing company was engaged in resurfacing a roof on an apartment, and because of inclement weather was forced to suspend operations, which had reached the point where the entire roof was covered with felts, nailed down and sealed on all sides with flashing cement, and nearly half of the roof was covered with an outer layer of felts mopped in with hot asphalt. No tarpaulins or coverings were placed over the work, and, as a result, melting snow and rain entered the interior of the building and damaged it as well as articles of personal property of the tenants.

Lumber Mutual held that in insuring the roofing company against liability imposed upon it by law for damages because of injury to property "caused by accident" it excluded from coverage property in the "care, custody or control" of the insured. In refusing to defend the action it also disclaimed liability under the policy on the grounds that the "occurrence was due to faulty workmanship" on the part of the plaintiff.

In deciding that the occurrence fell within the definition of an "accident" within the terms of the policy, the court said it had no doubt that the average man would consider the occurrence as an "accident", also that the defendant's argument on custody and control of the building's interior was unpersuasive.

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Keep your eye on the plus values of representing the North America Companies



A BRAND-NEW POLICY that broadens an important market for Agents

Here is the most important new Inland Marine policy to be placed in Agents' hands in the past ten years!

It is North America's new Valuable Personal Articles Policy*—a broader, scheduled policy that takes the place of the six separate forms now being used to insure certain personal possessions.

This great new policy widens the market for Agents for this class of business—because it offers the insured broader protection, at lower rates, on jewelry, furs, silverware, cameras, musical instruments and coin and stamp collections.

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You save time and trouble with North America's new VPA Policy, too. Easy to rate, it simplifies your

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Backed by a well-rounded advertising campaign in *The Saturday Evening Post* and other national publications, this new policy is a key to increased business volume. It is also an important example of pioneering by North America—to help you render even greater service to your customers.

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Most people naturally respect age and stability in a company and The Home is putting its century of service and experience solidly behind you. What counts is not that we are 100 years old—but that you can offer your customers the benefits of that century of insurance. That's why Home advertising is written from your standpoint. It's your ad!

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More than 19 million readers
will see your ad in February!

